



The French Theory of Speculation Part I: Necessity of Contingency

As a fresh (and French) theorist of speculation, **Elie Ayache** combines a French president and a young French philosopher

Writing history

History is a series of history-changing events. For an event to be historical (i.e., to deservedly belong in the series of events known as “history”) it has to be historic. It has to be of such impact as to change history” (or maybe it has impact *because* it changes history, the impact being measured in history not in the event). History advances as the succession of events that change it. Or again: History is a series of events, yet, each of the events of the series changes it. You make history by changing it. Because of this disruptive self-referentiality, it is impossible to prescribe a *process* for history. History simply cannot be represented as the trajectory of a point moving in a space of possibilities. Another way of stating the un-processability of history is to observe that historic events (those that truly count as historical) are events which bring about the very possibilities that *will have led to them*. In narrative temporality, we would say that they create their own causes. Or again, if we define “context” as range of possibilities, historic events are events that change the previous context (i.e., our very understanding of the world and perception of the future, that is to say, of history). The icon that is



now commonly associated with the history-changing event, or the event that makes/changes history, is the Black Swan.

Note that the “impossibility” of prescribing a process for history is no ordinary impossibility in the sense of a lack of possibility. The impossibility of processing history is altogether incommensurable with possibility because the “process” of history is a process of change and shift and disruption of *whole ranges of possibilities*. A more accu-

rate characterization would be to say that the “process” of history is an *im-possible* process.

While it is im-possible to “process” history and to describe history as a world wandering among possibilities, history *can* be written. Before I explain what I mean by this, let me first clarify the terminology. I shall call “process of possibilities” the traditional view of temporal processes whereby the world, seen as the all-encompassing stochastic variable, wanders

among possible states as history unfolds: what metaphysicians call “possible worlds.” We may call this view the “metaphysical view” of history, or the “metaphysical process” of history. So my claim here is that, contrary to the “process of possibilities,” there exists a special class of process that is *adapted* to history, a process that doesn’t take place in possibility but in capacity. This kind of process, I shall call “writing process” or “price process” or “market process.” The market, I claim, is the process of history.

Writing is a process that doesn’t take place in possibility because someone like Pierre Menard is *capable* of writing Cervantes’ *Quixote* (the “capable” of capacity) despite the fact that he only faces one possibility as he advances: the one and only possibility of the *Quixote*. To face but one possibility is to face no possibility at all. Yet Pierre Menard does not produce a replica and the whole point of Borges’ novel, although definitely taking place in fiction and in no physically possible world, is precisely to carve out the space where Menard’s work is truly original. Not that Pierre Menard is “unconscious” of Cervantes’ *Quixote* and writes it somatically (as if he was writing it with his body instead of his mind). To the contrary, Pierre Menard has perfect and accurate and constant knowledge of Cervantes’ text, only he writes it; he doesn’t rewrite it. The whole point of Borges’ novel is to introduce us to this highly unusual writer and literature: Pierre Menard’s originality resides precisely *in* his being unoriginal.

The writer’s (and trader’s) body

In another place, I have argued that there is, in writing, an excess overthinking and conceptualizing, and that, although a writer may be finished thinking his work and conceptualizing it, although the words he is about to write may be finished and present in his mind so that it may seem that all he has to do now is to copy them on paper, still, to go from the conceptual work to the material space of writing and to produce the written material carry an additional gap and excess.¹ In that *blank* space, the writer will receive the *surprise* of his writing; he will literally be surprised with his writing. It is as if, in the blink of an eye, he had forgotten his (conceptual-

ly finished) work; it is as if he had lost it and suddenly found it again, written on paper.

This *translation* (literally, “a shift and movement from one place to another, from one person to another,” according to the *Oxford English Dictionary*) doesn’t take place in the space of possibilities (for there is only one separating the conceptually finished text from its written expression) but in capacity: in the *capacity of writing* — in a trading room where the writer’s body is required over and above his mind, not in order

The market, as we will see, is perhaps the domain that is remotest from metaphysics

that he write the work somatically, but in order that the conceptualized work be literally *exchanged* against the written material. This phenomenon happens in all instances of writing and is not specific to Pierre Menard. The writing space, or the writing capacity, is not a trivial space. I do not envisage this blank space as an empty interval, where the replica can only follow the original, but as a space of decision, where the writer succeeds over possibility — literally succeeding to possibility — and where he literally imposes his own necessity. This is a space such that, if you fill it and fill in the blanks — what writing is all about — you fulfil it, and anything you wish ends up taking place. There are even thoughts, out there (or shall I say: “in there”?), that you can only have in writing. A true writer, we may say, is a writer who literally thinks *in* writing (so it becomes incidental what he may have thought before).

Borges’ novel is only a limiting case which has reduced to a minimum the possibilities of the conceptualized work (to only one, to merely becoming a replica) in order that they interfere as little as possible with the risk and variance that are proper to writing and in order that the space of writing may appear in all the greater relief. And so, the originality of writing becomes so independent of the originality of the conceptual work that the writing originality of someone like Pierre Menard may even be seeded in utter conceptual unoriginality. Pierre Menard is the

example of the essential writer (not of the essential reader, as some have claimed²), and his work progresses in im-possibility, or again, in capacity.

For the same reason, the price process is a writing process. A price process is the result of the immixture of possibility in the trading capacity (or the immixture of the metaphysics of possible worlds in the market — and the market, as we will see, is perhaps the domain that is remotest from metaphysics). The temporal evolution of the underlying price is usually represented as a sto-

chastic process unfolding over possible states of the world (what I have called a “process of possibilities”) while the capacity to *trade* that underlying is maintained. The stochastic process and the ensuing random attainability of future states of the world make it irresistible to conceive of derivatives that would only pay off in the future and in a fraction of the state space — the so-called “contingent claims.” At the same time, the tradability of the underlying makes it irresistible to replicate the derivatives dynamically, thus entailing their no arbitrage pricing. This entire derivation takes place conceptually, that is to say, purely in possibility. The trader is (conceptually) *able* to price the derivative because he can replicate it in all states of the world. This is the stage of the replica, the stage just before the transition and translation in the space of writing and materiality.

The nature of “price” is here to guarantee this transition, for the *ability* to price the derivative (inherited from possibility) will not turn into the *capacity* to price it until the trader forgets the replication plan (until he forgets all about the replica) and prices the derivative *in the market*. That is to say, he now trades it at variance with the replication plan; he trades it originally, not derivatively and unoriginally; he trades it as if it were no longer bound by the replication cord; he trades it with an originality that precisely resides in the unoriginality (for it is the ability to price the derivative that justifies the trader in being immersed in the market and later translates into

the capacity to price it). The pricing/trading of the derivative is thus inscribed in capacity not in possibility, for it amounts to changing the context and changing the range of possibilities (for instance, the constant volatility of the Black-Scholes-Merton pricing model has to make room for stochastic volatility as the only context that may now be compatible with option trading).

I said that the nature of “price” is the guarantee that ability will translate into capacity. Formally, no sooner the derivative price emerges as the *result* of dynamic replication and no arbitrage valuation than it appropriates its nature of

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“price” and becomes a market given. Typically, the option price becomes an input to the pricing model rather than an output, and the model is used in reverse. It is no longer used metaphysically, from the postulation of the underlying stochastic process and its volatility to the derivation of the option price, *but purely on the writing surface*. My favorite turn of phrase is to say that the price “resurfaces from possibility.” Volatility is implied from the market option price (“implied volatility”) to be fed at once in the formula so that a hedging ratio may be computed and executed in the market, or another option priced. This exchange, taking place between the category of result and the category of given, does not take place conceptually. The transition from pricing ability to pricing capacity (or from possibility to writing) is not a conceptual derivation. Just as Pierre Menard's body (that is to say, his capacity to forget) was needed as a hinge, the trader's body is needed in the transition. For the pricing process of the derivative to resurface from the depth of possibility and to rejoin the pricing surface (the writing surface) of the market, the trader's body is materially needed. A trader has to find himself

caught in the price process of the underlying and the replication process of the derivative for such a thing as the trading/pricing activity of the derivative to emerge. He has to *find* himself, that is to say, he has to *lose* himself first. He has to forget himself first.

Writing and pricing are thus adapted to history rather than to possibility. They take place in im-possibility by virtue of the trading room, or risk, that they open *after the end* of possibility. (Possibility had ended, in *Pierre Menard*, as soon as he had started writing Cervantes' *Quixote*; and possibility had ended, in the market, as soon as

the derivative trader had started trading.) Because of the capacity, inherent in writing and pricing, to generate new contexts from inside the writing/pricing thread — in either case, this meta-contextual capacity is due to the bodily attachment of the writer/trader —, writing and pricing can emerge as the “process” of history. Capacity, rather than possibility, generates history; writing and pricing are exemplary cases of the making of history. And note that risk, in my conception of history and of the market, is not associated with possibility or probability (so it falls beyond the Knightian concept of risk, and even of uncertainty). Nothing is variable (as in a stochastic variable) or uncertain (as in essential uncertainty) in my risk. Again, think that Pierre Menard wrote *with risk*, all the while the *Quixote* was fixed and certain. My risk is the *risk of writing*.

Beyond possibility, capacity, and ethics

Thus, I can be said to have written after the end of possibility when I wrote about writing the Black Swan³ — in other words, when I wrote about the market — and I can be said to have written after

the end of the market when I wrote about the disappearance of the market and the credit crisis.⁴ So the question now concerns the history of my own writing, as I may now ask: “What *can* I write next?” (The “can” of capacity all over again, and this means: “What can I risk writing next?”)

When the market was itself conceived as the process of history, or the way history can be written (as opposed to being possible), the end (or absence) of the market left us not only without possibility (as this was already the case in the presence of the market) but also *without the possibility of writing*, that is to say, with no possibility of exercising our capacity anymore. From that absolute im-possibility (the impossibility of im-possibility) the only thing left to do was to write *to* the market without expecting anything in return. This, I wrote, was the ethical stage, following the end of metaphysics and even of the text (of the market as text).

In this state of supreme and absolute im-possibility, which is, historically and logically speaking, of higher order than possibility (being able) and capacity (being capable) and which, for this reason, I find no better way of naming than a “state of power,” history was soon to yield a supreme voice and a supreme possibility/capacity/power, that of President Nicolas Sarkozy of France himself, addressing the US Congress in these terms:

“Those who are fond of America for the reason that it is, among other nations, the one which has best shown to the world the virtues of free enterprise expect it to be the first to expose the excesses and deviancies of a financial capitalism which, today, licenses speculation all too much. They expect America to commit itself resolutely to establishing the necessary rules and restraints. The America I love is the one that encourages entrepreneurs, not speculators.”⁵

The history of my writing thus seems, all by itself, to intimate to me what I may (or can?) write next. After the ontological-theoretical stage (in the sense of fundamental ontology and literary theory: “What is the market and how can it be written?”) and after the ethical stage (“How to write to the market and bid for its return?”), the stage that seems to impose itself, with my choice of the words of Nicolas Sarkozy as my next *text*

(following my choice of the words of Nassim Taleb in my Black Swan article⁶ and of Josef Ackermann in my credit crisis article⁷), is the political stage.

I will refrain, however, from going that route, due to my utter lack of training and thinking in the discipline of politics. When Sarkozy says he expects America, the land of free enterprise, to curb the excesses and uncontrollability of speculation, I will not interpret “America” as the political state in relation with other political states, or superpower in relation with other superpowers. I will not interpret it as the United States of America whose congress Nicolas Sarkozy, France’s own head of state, is addressing. Rather, I will interpret America *absolutely*, as that condition in space and time (or in the *history of being*, to use a Heideggerian expression) that made the market possible. Even though it may not be historically (in the sense of historiography) accurate to call America the “originator” of the market, of free exchange or of free enterprise, my broadening of the meaning of America for the purpose of my interpretation, that is to say, my *absolute interpretation* of America as it is used and staged and symbolized (perhaps even, sacralised) in Sarkozy’s text, will consist in bestowing on it that rank. America is no longer the historically/politically situated America, but that which “America” stands for, in other words, *that of which America is the name*.⁸

Like I said, I will not interpret Sarkozy’s stand relatively but absolutely; not as addressing the US congress in a specific financial-political situation but as addressing, absolutely, the idea of free enterprise, the extreme idea of speculation and how America does, or can, or should stand in-between.

State of power

In my previous column, I called the market the “condition of possibility of probability and expectation, and even of contingency” (indeed, the market was identified as the very process of history); in a word, the market was the condition of possibility of the future. It now appears we are going up one level, as I am now calling America the “condition of possibility of the market.” And just as I argued, in my previous column, that Josef

Ackermann, president of Deutsche Bank, could not be said to “expect the market” to return or to “hope” the market will return for the reason that the whole category of hope and expectation had gone missing with the missing market, just so I will not presently interpret the French president as “expecting” America to bring back the “good” conditions of possibility of the market (liberalism) and dispel the “bad” (speculation).

At this level of speech and “expectation” — a level hierarchically beyond possibility, capacity, and even beyond the “perhaps,” i.e., beyond the impossible gift which was itself given beyond the circle of economy and even of truth⁹ — we can

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neither *expect* America and *write in* America (as we used to expect and write *in* the market, at the time we were immersed in it) nor write *to* America (as we did *to* the market, when the credit crisis kicked us out of the market).

On the horizontal map where states of the world lie alongside other states of the world, and political states alongside other political states, it may be true that Sarkozy is pointing to a possibility, which he thinks is open to America, to take the world and the market to a better state. Or he may be just pursuing a political game and, after rolling back in the decision tree through its different states of the world — some better, some worse, for all of America, France and the world — merely ending up with the particular stand he is taking today and the particular speech he is delivering today. In my vertical interpretation, however, where possibility has first disappeared in capacity, then capacity in its turn has disappeared with the disappearance of the market, and where Sarkozy now addresses *America* (the other name of the condition of possibility of the condition of possibility of possibility), the French

president cannot be said to address, in America, a possibility or even a capacity.

Given the escalation beyond possibility and capacity, one may be tempted to say that from that supreme podium where Sarkozy is invested with the power to address America (itself a supreme condition), he is in effect addressing America’s *power* to bring the market back in line and to impose conditions and restrictions on speculation and on the chaos it may generate. (Conditions which, as we will see, cannot just be *anything*.)

We would thus be describing a hierarchy of domains. The first domain is the domain of possi-

bility, a purely punctual domain: possible worlds are just elements, or points, in the larger space of possibilities. Capacity, by contrast, is associated with the idea of volume, or a space full of points. It ranks higher than possibility. Writing or pricing, which are the processes that take place in capacity, are the processes of change of whole contexts, that is to say, of whole ranges of possibilities. Yet capacity is no power. In his writing and pricing capacity, what the trader is capable of doing is something that may indeed sound impossible: to show originality despite his being unoriginal relative to history and to the market which are always one step ahead of him. Indeed, capacity is that mysterious space, or trading room, where one can do something different than predicting history (which is impossible) or merely replicating it (which is empty). Due to its paradoxical nature, this space may not be conceived metaphysically. In metaphysical space-time, Pierre Menard’s work can only amount to one of two things: a replica or an absurdity. It is probably in Blanchot, and in what he has to say about poetical space, that this mysterious room,

or *space of the work*, will find its proper non-metaphysical dimension.¹⁰ I am still in the process of investigating this paradoxical space and its paradoxical dimension, a space where the market could finally be said to be the *work of the trader*, and the trader could be original in his writing/trading the market, despite the (metaphysical) fact that the market always precedes the trader. I will probably end up delivering a whole book — a true original work — on the subject.¹¹

Still, capacity is no power. Original as they

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may be in their capacity to write the market and write history without replicating either, the trader or the writer have no *power* over the market or over history. Pierre Menard has no power over the *Quixote*. So power seems to be the ultimate stage and, following the logic of escalation, it seems to be the domain we are finally reaching, now that Sarkozy is finally addressing America.

The absolute

But is it really power that is at stake here? Does America have any power over the market or Sarkozy any power over America? Power is only a tempting simile for us, by imitation of the superpower that we know America is and the power we know Sarkozy represents. But can power be more than a *representation* in the present case? Can it be effective? Since I have already consumed, in the succession of my previous columns, the metaphysical stage, the writing stage, and the ethical stage, and if I must answer the question of what I *can* write next and where to relax the power I seem to have ended up with, I have to find something else than that which America is expected to do (possibility), or can do (capacity), or should do

(ethics), in response to this supreme escalation. If power is the ceiling, then it cannot exercise its effect unless it turns back to the domains below it. It has either to be the power to drive the world towards a new possibility or the power to drive history towards a new change or the power to give. The domains of variation of the exercise of power seem to have to be possibility or capacity or the gift all over again. But these are the domains I have already covered, and power would thus lead me to repeating myself.

Nor can I “vary” what Sarkozy has to say to America, or the attitude he has to adopt before it, or what America and Sarkozy stand for. Anything I may write in the order of possibility or the condition of possibility cannot, in this supreme state of power and rarefaction, but result in the exact duplication of Sarkozy’s speech and its meaning. The only perspective that is open to my writing is, therefore, not to interpret “power” or vary it in the sense of the effect it has, but of what it represents: what it is the name of at the present highest degree of the scale.

But what can it possibly represent? What can power represent other than to positively have an effect? If the market (the condition of possibility of possibility) is the stage — literally the theatre — of capacity and the gift the condition of impossibility of possibility, what could be the higher-level theatre, or representation, or stage, or condition, that we may associate with power?

Perhaps the ascending momentum leading to power can help us find the answer. Instead of worrying what power can positively be, let us “use” power to try to end the regress and examine, in power, not the condition associated with

it, but the end of all conditions: the unconditional at last, that is to say, the *absolute*. Now that we are stuck in “power” (the ceiling) and with the condition of possibility (America) of the condition of possibility (the market) of possibility, perhaps the suggestion is to finally try to *think the absolute*. In this, perhaps, lies the opportunity that the stand between Sarkozy and America is offering to thought. As to power, we will come back to it later, as derivative of the absolute. We will see later what kind of power the absolute may have.

Absolute irony

So it is only *ironically*, and not by virtue of their *effective* power, that the stand between America (the absolute superpower) and Sarkozy (whom many view, in France, as the absolute Napoleon) is leading me to the thought of the absolute. If irony shall be defined as the exploitation, in writing and trading, of the passageways and associations and translations and shifts that may occur between arguments, following a logic precisely at variance, and sometimes in opposition, with the logic of theory or the logic of cause and effect, it is only because of the “summit” to which I was led, *in my own writing*, by America and Sarkozy that the thought of the absolute is finally imposing itself on me. Thus, the absolute obtains in the escalation of my writing/trading, not in America or in Sarkozy.

Ironically, the thought of the absolute is called “speculative thought,” so you may already get a hint of the deviation that I will have to take relative to Sarkozy’s stand before America. From his point of view (which may be, as I said, the point of view of effective power: the power to address America, America’s power to address the market), speculation is only one term of the relation between the market and the world, between what may happen, what can be done, and what ought to be done. Sarkozy is thinking *of* speculation, as a matter of fact, condemning it; he is not thinking *speculatively*. Sarkozy is not engaging in speculative thought as he is still acting and speaking *from within* the *relative* possibilities of things, and their *relative* influence on each other. It is I who am interpreting Sarkozy and America absolutely. It is only from the point of view of my writing that

America and Sarkozy represent a supreme state and that this supreme state is leading me to speculative thought. And since I have already argued, in previous columns, that irony is the logic of the market and that the market is a writing process,¹² you shouldn't be surprised if the ironical deviation I will take relative to Sarkozy and America resulted in the market (i.e., the domain of speculation proper) being my absolute.

But before I come to that, let me clearly explain what speculative thought is, and what I expect from it.

Speculative metaphysics

Speculative thought has traditionally been associated with speculative metaphysics. To speculate metaphysically is to argue, first, that things cannot be what they are (the laws of nature, the matters of fact, even the course of history) without a reason and, second, that the ultimate reason of all things, as it may not itself be grounded in a further reason, must consist of a supreme and unconditional reason which is the reason of everything, including itself. Ultimately, there must be an absolute reason for everything, and to end all negotiations relative to it, we must think that it *exists* (how can it hold as reason if it does not exist?) and that it *cannot but exist* (how can it be absolute if it is contingent?), that is to say, we must conceive of the absolute as *necessary being*.

Thus the necessary being (or the unconditional condition, or the absolute) seems to impose itself, in speculative metaphysics, by the necessity of finding a sufficient reason for everything (also called the “principle of sufficient reason”¹³) and the necessity of ending the regress. In reality, the last step, which leads from the existence of an ultimate ground (a reasonably rational requirement) to the necessity of its existence, is dogmatic. For instance, God, who may be perfect and who, by virtue of His perfection, may be reasonably thought to be the cause and justification of everything that exists, cannot be thought to Himself exist by necessity. Existence is not a predicate and no matter how perfect a subject may be, her perfection cannot purchase existence for her for just the reason that existence ought to be on her “list of perfect attributes.” Only dogmatism can secure it for her.

It is never a contradiction to think that a certain being does not exist, no matter how “perfectly” determined it is. Conversely, a contradiction may only obtain between a subject, *which we suppose already exists*, and one of its predicates. This is how Kant refutes the “ontological argument for the existence of God” (as this self-attribution of existence by the Supreme Being is called). Kant's refutation, however, does not merely stop at putting some order in the logic of subject and predicate. Its ulterior motive is to block any possibility of *proving*, by pure reasoning, that a certain being is absolutely necessary.

Rejecting dogmatic metaphysics and holding, instead, that there can never be a proof of the unconditional existence of any being of any kind are, at bottom, the minimum requirement for a criticism of ideologies, remarks the young French

itself. The only necessity that thinking can spell out without much risk and with maximal gain is thus the condition that must *necessarily* obtain in order that the thinking experience, or even experience at large, be possible at all. The only things we can know are the objects of experience. Their conditions of possibility are much more interesting than their conditions of necessity and these conditions are to be deduced from the conditions of possibility of experience, not the other way round. We have no epistemological access to the things-in-themselves, and even less so to absolute being. Reason must proceed as critical reason, not as metaphysical reason. Absolute being is replaced by relative, or co-relational, object.

Philosophy may thus praise itself to have put thought back on the track of the thinkable. And abandoning the thought of the absolute has

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philosopher Quentin Meillassoux.¹⁴ “The criticism of ideologies,” writes Meillassoux, “essentially parallels the criticism of metaphysics (when the latter is understood as the illusory generation of necessary entities) because to criticize an ideology ultimately consists in showing that the social state of affairs that the prevailing ideology describes as inevitable is in truth contingent.” For this reason, the lapsing of metaphysics at the hands of Kant is not to be questioned; and a return to speculative metaphysics is most unwelcome.

The shortcoming of Kant's critical philosophy

As alternative to speculative metaphysics and the thought of the absolute Kant has proposed the *critique* of pure reason — or the preoccupation of thought with its own conditions of possibility. Rather than releasing thought in the “Big Outside” and risking losing it in pure speculation about the unconditional, better to refer thought back to its own bounds and to think... *conditionally on thought*

been acclaimed as the most effective and most welcome abandonment of dogmatism. Today, no one seems to want to think the absolute for merely the reason that, as absolute, it has to be necessarily thought. As long as reason had to ground reasons in other reasons, the thought of absolute being was needed as absolute origin. But once Kant's critique had imposed on pure reason the bounds of the thinkable, and shifted its horizon from the question of the necessity of things being (absolutely) so and so to the question of the conditions that must necessarily obtain for the thinking (of things) to be possible, the chain of reasons changed its shape from the straight line to the circle. As the circle has no absolute origin, no absolute being was needed anymore. The absolute was ejected outside the circle of reason (the absolute reason of things is no longer the question), even outside the circle of thought (the absolute is unthinkable because to be *thinkable* is, by definition, to be *relative* to thought, i.e., not to be absolute).

This, however, did not mean the absolute was over. To the contrary, it could now live and prosper all the more freely that thought no longer had a hold over it. If reasoning with the absolute was called dogmatism, embracing the absolute without thinking is called fideism: you're no longer required to give a reason why you think you are absolutely right, or why your absolute being exists, other than that you religiously believe so. Since nobody really needs irrational belief or fanaticism, the conclusion is that the absolute is too dangerous a place to be left without thought.¹⁵

Meillassoux's proposition: The absolute necessity of contingency

For this reason, it becomes a necessity of *thinking* that thought may reach to the absolute after all. The absolute must not be thought for the sake of the absolute, for this would be thinking an absolute being and would smack of ideology and dogmatism all over again, but for the sake of thinking. This is the position defended by Quentin Meillassoux. I also call it ironic because

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just when we thought that the absolute was "no longer necessary" and that anything transcendental could find its definitive residence in the circle of co-relation, co-foundation, or co-appropriation,¹⁶ the absolute returned as a necessity of thinking: for the sake of thinking and its very well-being.

Thought has just got to fill and fulfil its capacity of thinking the absolute. It cannot forever deny it to itself, lest the absolute turns itself over to the enemy of thought, to irrationalism. So the problem becomes: How to fill the "absolutory" capacity of thought with something else than absolute being? Does the thought of the absolute necessarily have to be the thought of the absolute necessary being?

No, answers Meillassoux. Indeed, there is an absolute that thinking can claim and with which it is able, not only to fulfil its absolutory capacity, but to earn the guarantee that no necessary being will thereby exist. It is an absolute of a novel kind that nobody has thought of before: absolute contingency, or the thought of the *necessary contingency* of all things.

We simply have to think that there can be no necessary being and that this is so by absolute necessity. This has the advantage, not only of providing thought with the absolute it needs, but of guaranteeing, at the same time, that this is the only absolute there is. Nothing may exist, writes Meillassoux, which cannot but exist. To exist, a thing has to possibly not exist.

Thus Meillassoux's move is doubly ironic. Not only does it recall the absolute for reasons we wouldn't have expected, but the absolute it proposes, as only answer to both the necessity of thinking the absolute and the necessity that it may not consist in a necessary being, is the absolute demise of necessity. And this is no necessary contradiction, because the necessity that

is thus claimed against all necessity (and against all odds) is not itself a "positive" necessity, but precisely what is needed: the necessity of contingency.

Contingency is not a positive being; therefore, to claim its absolute necessity is not to instate a self-annulling being, a being whose necessity would be threatened by the very regime it aims at establishing absolutely: the regime of contingency. Nor is Meillassoux's proposition a mere play on words or an appeal to totally unstructured chaos. On the contrary, Meillassoux will show that the necessity of contingency is "substantial" and binding: it imposes conditions that are *not anything* (*n'importe quoi*) and even admits of *ontological* consequences. (As a

matter of fact, there is an attempt, in Meillassoux, to delineate a positive ontology through the necessity of contingency: to crystallize and make salient, by a kind of "representation theorem" — yet by making sure the move takes place completely outside metaphysics — what, in his talk, might otherwise remain identified with a mere photographic negative and might otherwise forever sound as a mere ironical background. It is here that our thought of the market as the very *being or representative of irony* may be of help.)

Is the absolute thinkable?

Remarkably, Meillassoux does not dismiss the undeniable advance that Kant's critical philosophy has meant for thinking. His attempt at the absolute is by no means a regression to metaphysics in the bad sense of thought transgressing its bounds. Rather, it is *through* critical philosophy and its establishment of philosophy on "the sure path of science" (Kant) that Meillassoux will break through to the absolute. Only if the thought of the absolute is shown *not to be incompatible* with critical philosophy will the latter avoid the conclusion that the rejection of metaphysics otherwise forces on it, namely, that things cannot be thought *in themselves* but only as being *given to thought* and, consequently, that a thing which is suspected to have existed prior to the emergence of thought cannot actually be thought.

Although Kant does not go to that extreme and holds that the thing-in-itself can be thought (only cannot be known), Meillassoux shows that that which Kant's philosophy is missing, namely the thought of the absolute, and that which it has replaced it with (the co-relational circle) cannot but lead to such an extremity. Indeed, the minimum pronouncement that Kant is willing to make about the thing-in-itself is that it must exist and be non-contradictory. (How could a thing be thought if it didn't exist or was contradictory?) Such are, however, the insulating power of the co-relational circle and the confinement of thought on *this* side of the circle that there is *in fact* no guarantee that what's outside the circle, the thing-in-itself, may not be contradictory after all, or even non-existent. To be unthinkable is not to be impos-

sible, therefore it is perfectly possible that a contradictory being, unthinkable as it may be, may exist, or even that nothingness, unthinkable as it may be too, may prevail outside the circle.

The other gain is that only by re-establishing communication between critical philosophy and the thought of the absolute is the tension inherent in the scientifically undeniable knowledge of the existence of things that have preceded the emergence of thought able to resolve itself in the only interpretation of science that is acceptable *for science*, namely, that the existence of those things is a scientific conclusion concerning the things themselves and not, as the staunch believer in the co-relational circle will hold, concerning *only* the capacity of thought to be presently given, among other things, the thought of things that have existed prior to thought.

Evidence connecting science – therefore thought – to things that have existed prior to thought (Meillassoux calls this evidence “arche-fossil,” typically isotopes whose radioactive decay is measured mathematically, light emissions from distant stars, etc.) exercises irresistible metaphysical pressure on philosophy and it has already led critical philosophy in the direction of a possible absolutization: that of making the correlation itself an absolute. If the thing-in-itself is unthinkable, then we are facing two possible decisions: either we decide that the thing-in-itself is the absolute and therefore the absolute is unthinkable; or we decide that the absolutory capacity of *thought* needs fulfilling at any cost and therefore the only available *thinkable* absolute is the co-relational circle itself (53). Thus absolute idealism simply suppresses all idea of the thing-in-itself: If it cannot be thought, then why should it even exist? (51) And Kant’s transcendental idealism slides inexorably towards Hegel’s speculative idealism and subjective metaphysics.

The absolutization of facticity

Yet Meillassoux claims that another absolute is possible. A path may be opened from inside Kant’s co-relational circle (whose main virtue, as we recall, is to keep dogmatic metaphysics at bay) to the absolute, provided the path ascends to the meta-level. Instead of having to adjudicate the

absolute on the same plane, between the thing-in-itself on the one hand and the co-relational circle on the other, why not recognize, with Kant, that that which creates the distinction between the thing-in-itself and the thing-as-given to thought in the first place, namely the *a priori* forms of knowledge (the pure forms of sensibility, space and time, which relate to intuition, and the twelve categories of understanding, which relate to conceptual thought), is just a matter of fact and cannot be deduced by necessity? It is a

Contingency is not a positive being; therefore, to claim its absolute necessity is not to instate a self-annulling being, a being whose necessity would be threatened by the very regime it aims at establishing absolutely: the regime of contingency

matter of fact, and not of necessity, that a contradictory thing may not be thinkable, and this is why it is impossible to block the possibility that the thing-in-itself may essentially differ from what is given to us and to our thought and literally be unthinkable. The co-relational circle is only a matter of fact (52-53).

And now the second possible absolutization (which is the only one left, remarks Meillassoux, if we impose on it both the conditions that it shall not be recuperated by the co-relational circle and that it shall produce no metaphysics) is to think the “matter-of-factness,” or facticity, of the co-relational circle itself as an absolute. Even though there is no necessity at play, here – since we are precisely talking of facticity¹⁷ – the amazing property of the co-relational circle is that its facticity cannot, by its own lights, and when thought thoroughly, but be *thought as absolute*.

Indeed, what makes the co-relational circle a co-relational circle and not an idealist metaphysical totality is the differentiation between an inside and an outside, in other words, the distinc-

tion between thing-in-itself and thing-as-given. And now what lends the co-relationist’s speech any substance at all and enables her to always have something to say is that, whatever you may think is the absolute, even the facticity of the co-relational circle itself, the co-relationist will readily retort that this is no absolute but only a co-relational pronouncement, and that the thing-in-itself, due to the facticity of the co-relational circle, can, *as a matter of fact and on the other hand*, be anything at all. But this is just reiterat-

ing the facticity of the co-relational circle! In other words, even though the discourse of the co-relationist is expressly directed against the absolute, it is, as a matter of fact, *hinging* on the absolute facticity of the co-relational circle. One thing at least has to be independent of the co-relational circle and that is its own facticity – otherwise there would be no distinction between outside and inside and the circle would inflate away in the totality of metaphysical idealism. But to be independent of the co-relational circle is precisely the definition of the absolute!

Positively thinking the absolute

And this is why Meillassoux’s move is ironic yet again. The absolute resides in no *violence* that we might do the co-relational circle. It lies neither in the violence of opposing to it the absolute of the external world (as in metaphysical realism) nor in the violence of blowing it itself into an absolute (as in metaphysical idealism). The absolute was already all there, lying naturally, and as if neutrally, “in” the co-relational circle.

(Or should I say, “in and out”? As a matter of fact, it lies in its hinge.) It only remains to *think it*.

And to think it truly.

Indeed, it becomes crucial to *substantiate* this thought, at this stage. For, the fear is that Meillassoux might just be lost in philosophical solipsism. To say something is always to say something differential and articulate, and it is always true that if neither part of what we are saying is fixed and absolute then the hinge has to be fixed and absolute. Meillassoux’s risk is that meta-philosophy might just be his absolute. That the facticity of the co-relational circle should be our absolute, fine; but how to dismiss the thought that Meillassoux has in a fact just changed the subject? Where is our old, active, substantial absolute?

So how to turn this thought of the absolute, which we seem to be inheriting doubly by default, into an active thought?

The difficulty with the absolutization of facticity is that it seems irremediably passive. To note that the co-relational circle is a matter of fact is already passive and to further note that the absoluteness of this facticity is the fact of the matter of the very argumentative move of anyone arguing against this absoluteness (in this case, the co-relationist herself) is thus doubly passive. So how to turn this thought of the absolute, which we seem to be inheriting doubly by default, into an active thought?

Simply by projecting it *outside* the co-relational circle, into the thing-in-itself, answers Meillassoux.

To repeat, the thing-in-itself exists and is even postulated, by Kant, to be non contradictory (it is thinkable). With regard to metaphysics and the necessity to ultimately ground the reason of things in an absolute, Kant, as we recall, has replied with a defensive argument. Instead of wondering what, in the thing-in-itself, may be the ground of the necessity of the laws of nature, better to wonder, Kant tells us, how science (our science) is possible. The “aggressive” absolute is

dismissed as generating unnecessary metaphysics, soon to become dogmatic.

Now, and without alienating the principal gain of critical philosophy, namely, the elimination of metaphysics and the unwillingness to ground necessity in the thing-in-itself, the suggestion is: first, to make an absolute out of the facticity of the co-relational circle (namely, of the fact that it is a matter of fact that our thought, language, representation, or in a word, our finitude, are such that a distinction obtains between the thing-in-itself and the thing-as-given to us), and, second, to “aggressively” lodge that absolute in the thing-in-itself. No metaphysics would thus be solicited because what we are grounding in the thing-in-itself is not a necessary being, but the necessity of contingency! And to completely

distance ourselves from the thought that this grounding is simply the result of a double passivity, Meillassoux’s suggestion is, subsequently, to change the name of this absolute principle, from negative to positive: from “principle of no reason” to “principle of factuality.” It is really a *positive* property of the thing-in-itself that there should be absolutely no reason why the laws of nature are thus and not otherwise and that the co-relational circle (which is meant to relieve us of any reason not to think that the thing-in-itself may be utterly different from what thought can surmise) should be factual.

Chaos, yet not without structure

Pending an urgent answer to that which this move leaves out (and to which I will come in the second part), namely, Hume’s problem, Meillassoux then proceeds to exploring the structure of this necessity of contingency. Like I said, a remarkable elaboration in Meillassoux — and in it lies, in my mind, the truly differentiating factor of his whole speculative enterprise — is that this absolute of a new

kind imposes conditions on beingness that *are not anything*. Maintaining the absolute necessity of contingency is a binding principle and its remarkable consequence is the *derivation* of the two absolute truths that Kant had only taken for granted, namely, that the thing-in-itself is non contradictory and that there is such a thing as a thing-in-itself.

The details of Meillassoux’s derivation are beyond the scope of this article, but essentially the idea is, first, that a contradictory being would not be contingent but necessary (for a contradictory being would enjoy all kinds of attributes simultaneously with their exact contrary; in a word, it would admit of no other as it would be its own other; so how could contingency ever introduce it to the idea of a possible other?) and, second, that for contingency to be necessarily enforced there must be contingent *things*, therefore, there must be something rather than nothing.

It is of the essence of contingency to articulate a difference, therefore to impose determinateness. Just as a contradictory — and for this reason totally undifferentiated — thing was recognized to be non contingent, a state of absolute non existence will also lack the differential that contingency needs to get hold of in order to apply itself. Even if the absolute contingency of everything were supposed to grab everything and end it in non existence, existence must have prevailed at some point, in order that contingency may at least deploy its concept. It is for this reason — by virtue of the counter-intuitive and “counter-articulate” way in which contingency is linked to beingness after all¹⁸ — that the necessity of contingency can have positive ontological consequences, literally *producing* being and no contradiction, while at no point instating the metaphysics of necessary being.

Somehow, contingency is the most natural and neutral thing and to think it as absolutely necessary is neither emphatic nor over-dramatic. It is simply to set thought on a *free* trajectory, free of the “fatal attraction” of necessary beings gravitating in the surrounding space, a journey where the two first “natural” consequences that thought will encounter are non contradiction and the “there is.”

Ontology is prosaic, writes Meillassoux (98). The fundamental question of metaphysics: “Why is there something rather than nothing?” and its working question: “Why are things this way and not otherwise?” have to be answered and not left aside, and the answer has to be disappointingly prosaic.

Yet the vision of the necessary contingency of all things is petrifying. “Looking through the crack we have opened in the co-relational circle onto the absolute, we find a threatening power,” writes Meillassoux, “something muffled and quite capable of destroying all things and all worlds; capable of engendering monsters of illogicality; as well, capable of never actually carrying out its threats; capable of producing all dreams and, equally, all nightmares; capable of frenetic

and chaotic changes, or alternatively, capable of producing a perfectly still universe” (87).

I shall pause here in this first part of my article, provisionally resting the power of the absolute in the seas of absolute contingency.

We must speculate, by necessity of thought, and all things must be contingent

This is an absolute, remember, that we must think. This is what speculation is all about. We must speculate, by necessity of thought, and all things must be contingent.

Thus my provisional answer to president

Sarkozy is that, in his reach for the absolute (his stand before America), he has set off a speculation of a different sort than the one he initially wanted to curb. It remains to show how the two are linked and that to think *the market as absolute*

is, in a certain way, to embrace the unavoidable necessity of contingency but is also, and much more significantly, to find structure in this apparent chaos.

This will occupy me in the second part.

ENDNOTES

1. Elie Ayache, *L'Écriture postérieure*, (Paris: Editions Complicités, 2006).
2. Cf. Gérard Genette, *Palimpsestes* (Paris: Editions du Seuil, 1982): 361.
3. Cf. Ayache, E. (2007, July), “Author of the Black Swan”, *Wilmott*, pp. 40–49 and Ayache, E. (2007, September), “Author of the Blank Swan”, *Wilmott*, pp. 44–52.
4. Cf. Ayache, E. (2007, November), “How Not to Bid the Market Goodbye”, *Wilmott*, pp. 42–52.
5. President Nicolas Sarkozy, Speech to the US Congress, on November 7, 2007.
6. Cf. Ayache, E. (2007, July and September), *op. cit.*
7. Cf. Ayache, E. (2007, November), *op. cit.*
8. This means, by the same token, that “Sarkozy” is no more Nicolas Sarkozy than “America” is America. “Sarkozy” also stands for “that of which Sarkozy is the name.” This “trading” of Sarkozy beyond possibility, i.e., beyond the man that he possibly is — in this case, the French president — is characteristic of what I have called the *risk of writing* and of the capacity of changing the context in writing. One may thus write and trade Sarkozy at variance with his possibility and this is all the more comforting that Sarkozy represents here the supreme possibility — the president — the one and only possibility sitting at the top, and to write him in possibility instead of capacity would sadly leave no choice but to replicate him like the *Quixote*.
9. Paola Marrati, *Genesis and Trace: Derrida Reading Husserl and Heidegger* (Stanford, CA: Stanford University Press, 2005): 190–195.
10. On Stéphane Mallarmé’s poem *A Throw of the Dice*,

Blanchot writes: “Space, which does not exist but ‘is scanned,’ ‘is intimated,’ space dissipates and remains according to the various expressive forms of the written work, space excludes ordinary time. In this space — the actual space of the book — instant never follows instant according to the linear progression of an irreversible future.” (Maurice Blanchot, *The Book to Come* (Stanford CA: Stanford University Press, 2003): 239.)

11. Hopefully to be published in 2009, with the provisional title: *The Writing of Derivatives*.

12. Cf. Ayache, E. (2006, September), “The Irony in the Variance Swaps”, *Wilmott*, pp. 16–23 and Ayache, E. (2007, July and September), *op. cit.*

13. It is Leibniz who first expressed it: “There can be found no fact that is true or existent, or any true proposition, without there being a sufficient reason for its being so and not otherwise, although we cannot know these reasons in most cases.” In short, the principle is that nothing is without reason for its being, and for its being as it is: *nihile fit sine ratione*. (G. W. Leibniz, *The Monadology* (1714), sects. 31, 32; *The Oxford Companion to Philosophy*).

14. Cf. Quentin Meillassoux, *Après la Finitude: Essai sur la Nécessité de la Contingence* (Paris: Editions du Seuil, 2006), 46. I will draw all my subsequent elaboration of speculative thought and of the absolute from Meillassoux’s book. It is in this book that I found the impetus to think the absolute, and reading it was quite challenging for my thinking about contingency and its necessity. Especially that Meillassoux, a former student of Alain Badiou, and now a teacher at *Ecole Normale Supérieure*, rejects Heidegger’s thought of the finitude of being and Heidegger’s conception of fundamental ontology as essentially hermeneutical. Meillassoux thus offered me the

invaluable opportunity to criticize what used to be my own thinking of the market in Heideggerian terms and consequently to refine it. All numbers between brackets, in my text, will henceforth refer to the pagination of Meillassoux’s book.

15. Cf. Quentin Meillassoux, *op. cit.*, 61–68.

16. In Wittgenstein, for instance, there is no world that is not, in the last instance, correlative to language and co-founded by it. In Heidegger, there is no being that is not appropriated by *Dasein* and does not appropriate *Dasein* in return. “Until Kant,” writes Meillassoux, “one of the major preoccupations of philosophy was to think the substance, whereas, after Kant, it became one of thinking the correlation.” “Nowadays,” he observes, “the philosopher’s favourite move is to believe in the primacy of the relation over the related terms, to believe in the constituting power of the mutual relation. The ‘co-’ (of co-giveness, of co-relation, of co-originary, of co-presence, etc.) is the predominant nobiliary particle of modern philosophy, its true ‘chemical formula’” (19).

17. And there is no contingency either. The *a priori* forms of knowledge, which Meillassoux also calls the “invariants” of language and representation (54), can only be described, not deduced. They are a fact, whose necessity or contingency we are *equally* unable to establish, he writes. (And this inability is by necessity, I am tempted to add, just on account of those forms being nothing substantial but being purely structural.)

18. This is the way in which to say: “Necessarily, contingency is” is equivalent to saying: “Necessarily, something is, yet nothing is by itself necessary.” Contingency produces beings from out of its “interstices,” we may say, not by direct agency. Beings are not a “result” of contingency, as “result” is the distinctive mark of metaphysics.