

Once upon a time there was... the market

Giancarlo Livraghi – August 2011
(additional observations October and November 2011)

The market. An exciting place, an intriguing experience. A wonderful invention – ten thousand years ago, or maybe earlier. We can still be pleasantly entertained when we travel to a foreign country where the tradition survives with its turbulent vitality. Or when, closer to home, we find one that still offers some of the oldfashioned charm.

When markets were born, travel was difficult, slow and dangerous. People could only walk – or ride a horse or a camel (or a raft or a canoe along a river, some of the bravest risking to cross the sea).

Humanity had been learning, for several millennia, that not everybody is good at doing everything. The best way isn't to train everyone to do the same things, but to specialize and help each other. It was later discovered that it's even better to look beyond the limits of one's tribe or neighborhood, widen the exchange to involve others, who know how to find, or grow, or make, something different.

The new discovery was barter. But there was more. In addition to exchanging goods and tools (as well as the knowledge of how to make and use them) there was the curiosity of meeting different people. The newborn markets were an opportunity for entertainment. Soon came comedians and performers, jugglers and jesters, artists and musicians, storytellers and bearers of news, true or legendary, from remote, real or imaginary places.

There were parties and dances, jokes and games, courtship and seduction, passionate love stories or hasty sex affairs, contributing to the biologic need for gene diversity (though nobody knew the laws of evolution).

There were scribes and thinkers, teachers and scientists. Soothsayers and wizards. But also, of course, tricksters and cheats. Thieves and conjurers. Brawls and fights. Whores and pimps. Murderers, maniacs and mercenary soldiers. Wandering warriors who weren't always killing dragons or saving damsels in peril.

There were also drugs and poisons, miasmas and filth, parasites and bacteria, bearers of contagion – some people died, but those who survived developed new immunity.

It was anyhow, for everyone, a party. An opportunity to break the cycle of habit, move out of monotony and isolation. Without markets and merchants we would be missing the richness of culture and diversity that is a necessary ingredient of human evolution.

Then somebody (we don't really know who, where and when) invented money. A pretty useful tool. But also the origin of new problems, as we are taught by economy historians and we know from the vicious atrocities and hideous violence caused by an exaggerated, often demented, craving for the accumulation of richness.

(A relatively small, but insidious, variation of this disease is explained in *Harpagon's miseries* – gandalf.it/stupid/harpagon.pdf).

Early in history, the strongest merchant cultures defined a shared standard – based on two attractive and rare metals, gold and silver. Though often manipulated or falsified, it worked for millennia. Until, forty years ago, after a number of international debates and conventions, the “gold standard” was abolished. Money, in international exchange, became an abstract notion. A conventional yardstick that works only if everyone agrees on the same criteria and sticks to the rules. With a substantial advantage for whoever knows how to twist them.

In the meantime, in the eighteenth century, another financial device was born. The stock exchange. The concept is simple and reasonable. Those who need money for investment sell shares in their business. Those who wish to grow their savings buy, and expect to gain a share in the profits.

In practice, it never was so reliable. Since the beginning there were manipulations, swindles and hazards. But the soundest part of the system, based on permanently reliable enterprises, worked fairly well for a long time. Until, thirty years ago, the whole machinery broke down.

It wasn't a careless mistake, nor an accident. Quite deliberately, a drastic “deregulation” in the early eighties wiped away all discipline and control. The impact of savagely unleashed financial gambling, they promised, would magically make everybody rich. It was soon obvious that things were going in the opposite direction. But the dementia had quickly become chronic. So widely spread as to wipe out any trace of common sense.

It was unavoidable that a fragile construction, growing taller and taller with weak foundations and visible structural faults, would fall apart. And so it did, in 2007, with the rubble crashing down on the real economy.

Years go by, but nobody seems to understand (or admit) that there can't be any recovery without radical surgery, removing the roots of the disease.

Still to this day, when we hear or read the word “market”, there seems to be only one such thing. The stock exchange. As if that weird environment had anything to do with the world we live in.

Bubbles had inflated and deflated. Only a few of the accounting forgers had been tried and found guilty. There was no learning of the basic problems. Still now, debates and arguments never end, the roller coaster never stops. The media, the information industry, the dominating culture as a whole, seem to be desperately in love with a hideous parasite.



The obvious goddess in the quaint financemania cult is the praying mantis, devouring her lovers as well as any other insects that happen to be on her way.

Economy has always been a questionable “science”. But from uncertainty we have moved on to madness. How can anyone believe that the real value of anything can change, for no reason, in a few days? Or wobble up and down several times in the same session? The explanation is quite simple. It’s financial gambling, nothing else.

With atrocious delay, at last someone is beginning to ask where is the broken machinery. How can it be possible, for instance, that the so-called control authorities are private companies, actively involved in the trickery?

Such idiocy wouldn’t be tolerated in any casino. With a relevant difference: gamblers risk their own money. The finance cheaters profit by threatening to ruin nations, governments, organizations, companies, families and people worldwide if they don’t follow their bizarre whims.

In the overwhelming noise of looming catastrophe there are some comforting exceptions. Such as many companies, large and small, quietly continuing to do what they are supposed to and remaining quite healthy.

A small news item, on August 4, 2011, passed almost unnoticed. A criminal court in Trani, Italy, is pursuing for embezzlement executives in two of the largest rating agencies. It would be fun if a worldwide revolution started in Trani. Unfortunately, it’s unlikely. But if a few others, here and there around the world, had the same idea, they could begin to shed some light on the plots and schemes of the vampires.

Where is the great opinion leader, or the simple bearer of good sense, who can show us the way out of this mess? So far, alas, nowhere in sight. But maybe, rather than a philosopher, an economist, a politician or a banker, we should be looking for a psychiatrist.

Post scriptum

Pandemic depression

A few days after I had published these comments, I was pleasantly surprised by an unusually bright article in an Italian newspaper, *Corriere della Sera*, on August 20, 2011. The author, Guido Ceronetti, isn't an economist or a political reporter. He is a writer, poet, philosopher, playwright. He lives and thinks in the world of human life, not the weird fantasy of financemanía.

Occasional uneasiness, he says, has always existed. It was known in different ways, *spleen, blues, melancholy, ennui, taedium vitae*, etc., before it was called "depression" – and became pandemic, afflicting almost everyone and everywhere. This is how he explains it. *«Against pervasive unwell-being, personal or social wellbeing doesn't matter. Anti-anxiety remedies enrich a pharmaceutic industry that finds it convenient to alleviate the disease without treating it, to spread the expensive habit of drug addiction.»*

And now it's much worse. *«This endless printed and broadcasted vomiting, economy-economy-economy, ruling classes not caring for anything else, this machine-gunning into people's minds that there is an unprecedented crisis, such as there never was before, colossal, irremediable, out of control on a planetary scale, in which dustbin is all this nonsense going? Into people's minds, with the purpose of tearing them to pieces.»*

Hard words – and rightly so. But Ceronetti goes on to be even more explicit. *«We are, by reading and listening, dropped deeper and deeper into a shaky bucket, a filthy latrine in which bad omens accumulate.»*

Of course the solution isn't to try to survive without information. *«We read headlines, hear news, look into comments and explanations. Human minds need words for nourishment. For this vital nutrition, it is necessary that none of the words have anything to do with the flaming dragon called economy, while nobody has the courage to face it and kill it.»*

«"Economy", in current language, is invasive faeces, that would need a drastic purge. Let's continue to absorb the filth in growing quantities from everything being spoken and we shall see how horribly the personal and collective unconscious can be warped.» We have already seen some alarming consequences. If the despair preaching continues, they can only get worse.

Guido Ceronetti also has some comments on the meaning of "market". *«Our relationship with the world of numbers is made of small figures. Even an economy minister, whose cutting and tailoring is measured in billions of dollars or euros, counts cents in his purse or pocket when he is spending money like an ordinary person.»*

«The real market, for all real people, all over the world, is in the places where our feelings and touch are alive – the friendly vegetable and fruit store or the intriguing old books market. The spasmodic figures in the stock exchange are percentages of death. “Necroeconomy” as it was called by a German magazine, “Die Welt”. Wherever this stinking leviathan rises its hideous head, the Depression hits millions of defenseless victims.»

Guido Ceronetti’s alarm isn’t exaggerated. Apparently the grotesque disease hasn’t yet brought humanity to the edge of extinction, but it has already caused enormous damage, including the misery, unhappiness and despair of too many people, in too many places, abandoned to their cruel suffering while the world’s ruling powers are fussing uselessly about the “stinking leviathan” of financial gambling.

In addition to the direct damage, degeneration of real economy and civil society, there are the enormous effects of the “flaming dragon”, the obsessive repetition of doomsday predictions in the never ending tide of misinformation that doesn’t know, or pretends not to understand, how it’s causing the evil.

The real world isn’t a garden of happiness and wellbeing. But we would have a much better chance of understanding – and trying to solve – real problems if we weren’t distracted by the macabre dances in the treacherous fiction of financial trickery. It would be a good idea if a cultural pathologist could find the formula for a “drastic purge”. Or if a brave knight killed the dragon. But anyhow it would be a substantial step forward if the world of information could wake up – and help us to recover from the nightmare.



There are controversial views about which cultural symbols, or depths of the unconscious, inspired the nightmarishly brilliant horror in Hieronymus Bosch’s paintings. The fact is that they cruelly fit today’s financemanía. It would be tragically ironic for humanity, after surviving with enormous sacrifice and suffering the effects of climate turbulence, plagues and wars, calamities and conflicts, to be risking catastrophe because of the stupid perversity in a small clique of financial manipulators.

Another *post scriptum*

Glimpses of understanding?

October 2011

Months (and years) go by. The problem remains. But, at last, there seem to be some glimpses of less confused perception. Though still somewhat vaguely, it begins to be understood that financial manipulations have poisoned the entire system, with hideous contagion in real economy, society, culture, the daily life and hopes of people worldwide.

(Also in those parts of the world where the “crisis” is not directly perceived, it has a mischievous influence on the continuing human tragedies and awfully dramatic situations that the international community “can’t find the time” to resolve – or, at least, try to alleviate.)

“Something” is on the move, but it isn’t as clear as it should. There is a well motivated, though disorganized, protest at Wall Street – from New York extended to other cities in the United States. It’s spreading gradually, but not slowly, to several countries around the world. A few comments on the real problem are beginning to appear, occasionally, in newspapers.

For instance in an interesting article by Danièle Blondel – *Le Monde* October 3, 2011
Du «marché» meurtrier à la «bonne intelligence» économique et sociale
www.lemonde.fr/idees/chronique/2011/10/03/du-marche-meurtrier-a-la-bonne-intelligence-economique-et-sociale_1581116_3232.html

There are “steps ahead”, but the aim is still unfocused. Not clearly enough concentrated on the perverse schemes of financial necromancers.

The spreading of doubts and criticism is a healthy symptom. But to get out of the poisonous swamp we need more precise and practical ideas.

The issue isn’t to kill the real market. It’s obviously impossible – and anyhow it wouldn’t be desirable. The need isn’t even to eliminate entirely the “financial markets” – but to reduce them drastically to those limited roles in which they may be useful. In the service, if and when it’s needed, of the real economy. Never again allowed to dominate and enslave it to their whims.

This isn’t as difficult as it may seem. But public opinion needs to be better informed on the real nature of the problem. So that, with the help of information becoming more aware and less subjugated, citizens may be able to force governments and control authorities to really do what they should.

The deadly conspiracy plaguing us now is much bigger and much worse than Catiline’s. *Quousque tandem abutebuntur patientia nostra?*

On this subject see also *The Stupidity of Power*, chapter 10 of *The Power of Stupidity*.
gandalf.it/stupid/chap10.pdf

A few quotations

October 2011

Views from different times and places can help to gain perspective.

Property monopolized or in the possession of the few is a curse to mankind.

John Adams

Las Vegas would take offense at being compared to Wall Street.

In Las Vegas, people know what the odds are. On Wall Street they manipulate the odds while you're playing the game.

John Ensign

People of the nation do not understand our banking and monetary system.

If they did, there would be a revolution before tomorrow morning.

Henry Ford

The world economy is the most effective expression of organized crime.

The international organizations in control of money, trade and credit are practicing terrorism against poor countries and poor people in all countries.

Eduardo Galeano

Banking institutions are more dangerous to our liberties than standing armies. If the American people ever allow private banks to control the issue of their currency, first by inflation, then by deflation, the banks and corporations that will grow up around the banks will deprive the people of all property until their children wake up homeless on the continent their fathers conquered.

Thomas Jefferson

Permit me to control the money of a nation, and I care not who makes its laws.

Amschel Mayer Rothschild (The attribution is uncertain, but the concept is clear.)

An international financial gang, with no soul or heart, has created a world of inequality, misery and horror. It is urgent to put an end to its criminal reign.

Jean Ziegler

I hope these few examples are enough to help us understand the situation.

Another point of view

Is it a mental disease?

November 2011

(On this subject see also *Of Mice and Men* – gandalf.it/offline/rats.pdf)

While we are still inundated with ceaseless elaborations on the “crisis”, arguments and disagreements on how to look for remedies, legitimate but incoherent “indignations”, power conflicts and all sorts of manipulations, there are comments here and there, around the world, so far not as well appreciated as they should, that can help us to understand more clearly the real nature of the problem.

An unusual, intriguing and interesting approach was revealed on November 21, 2011.

At the end of the first part of these comments (August 2011 – see page 3) this was my conclusion. «*Where is the great opinion leader, or the simple bearer of good sense, who can show us the way out of this mess? So far, alas, nowhere in sight. But maybe, rather than a philosopher, an economist, a politician or a banker, we should be looking for a psychiatrist*».

It wasn't just irony. The huge collective hysteria resulting from the consequences of financial manipulation isn't only an epidemic of stupidity. It also has, quite often, the character of a contagious mental illness.

Now this concept is developed quite seriously by Mitchell Anderson. As he sees it, approximately one percent of humanity is afflicted by a dangerous form of psychopathy – and it tends to coincide with the one percent that is involved with the financial leverage of the world economy.

Time to Test Corporate Leaders to Weed out Psychopaths
axisoflogic.com/artman/publish/Article_64073.shtml

Mitchell Anderson's article is related to an earlier study by Clive Boddy published in the *Journal of Business Ethics* on August 9, 2011.

The Corporate Psychopaths Theory of the Global Financial Crisis
www.springerlink.com/content/9072633443675517/

The concept of psychopathy in power hierarchies had been developed in 2006 in a book *Snakes in Suits – When Psychopaths Go To Work* by Paul Babiak and Robert Hare today.msnbc.msn.com/id/13150054/ns/today-books/t/snakes-suits-unmasks-corporate-psychos/ but it was about management of corporations rather than maniacs in financial mongering.

Mitchell Anderson and Clive Boddy agree that they are «*not violent criminals, but corporate psychopaths who nonetheless have a genetically-inherited biochemical condition that prevents them from feeling normal human empathy*». In the murky waters of the “crisis” «*shark-like, they rise fast and risk killing the world economy*».

This picture, included in Mitchell Anderson’s article online, is pretty clear. While these psychopaths aren’t maniac murderers, they are mortally dangerous.



Not murderously insane, just devoid of empathy and ultimately destructive.

According to an interesting article by Isabelle de Foucaud published in *Le Figaro* on September 28, 2011, a clinical psychology study by the St.Gallen University shows that stock traders are «*more crazy than the psychopaths*».

www.lefigaro.fr/societes/2011/09/28/04015-20110928ARTFIG00490-les-traders-seraient-plus-fous-que-les-psychopates.php

It’s hard to tell if this psychopathy is “a genetically-inherited biochemical condition” or the result of cultural degeneration. But anyway, at this stage, it’s probably incurable – also because it breeds in a self-replicating, maniac environment where the disease is applauded and rewarded.

It would take an extended effort, and a complicated process, to identify and remove the afflicted by means of psychological testing. We don’t have the time for elaborate diagnoses and the development of antidotes.

The urgent priority is to remove not only the manipulating psychopaths, but also the wicked and selfish organizations arbitrarily running the system – and all the multiple, insidious roles in which financial gambling prevails on the real economy and the human, social, civil rights and needs that must regain control if we want to find a way out. This isn’t as difficult as we are led to believe, but it needs a radical change of perspective.

And anyhow we can’t overlook the fact that in thirty years of continuing degradation the financial epidemic has infected the management, hierarchy, mentality and procedures of corporations and power systems. It isn’t easy, but it’s urgently necessary, to proceed aggressively with strong disinfection.

On this subject see also *Of Mice and Men* gandalf.it/offline/rats.pdf – and *Stupidocracy* gandalf.it/stupid/stupidocr.pdf