

Everything Solid Melting into Air

13/10/2008

It is in times of crisis that things hidden become clear. The collapse of confidence in financial institutions reveals what our social life needs to function – order, stability, structure, regulation and confidence. We are not monads on our own.

When confidence collapses everything becomes a potential object of fear. Anxious questions and rumours abound. We copy our neighbour. Suddenly fear finds an actual object – predators surround the weak (or the perceived weak, it doesn't matter). There is blood in the water. Another financial institution collapses or has to be rapidly rescued. Then fear moves on. In such a context scapegoats are often needed – let's blame it all on the bankers (not that they don't have their responsibilities for the situation).

Because money is a confidence 'trick' – it is nothing in itself but only a means of exchange – we have to believe in it, for money to do its business and perform its 'magic'. It is only when there is no confidence that we realise why loss of confidence is so catastrophic. Markets simply freeze up. They cannot operate without 'belief' in money. There can be no pecuniary atheists – we have to discover 'faith' again. Often that is through scapegoating – we may need to throw some bankers overboard to assuage public anger.

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