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Transformation of Trust into Capital, Financialization and the Moment of Betrayal

Abstract:
In his text, the author develops the notion of trust as a condition for the possibility of any relational anthropology. Referring to the root associated with trust as the foundation of the relationship, he takes a position in the dispute about the primal nature of trust or perfidy; believes that in the abusive practices of credit and debt there is a reversal of the meaning of what is a necessary element of human life, relationships based on trust. Perfidy is possible precisely because there is trust. On the basis of such concepts, he develops an analysis of events in the global economy at the turn of the 20th and 21th century, especially the financialization, based on the ideas of such authors as Arrighi, Bourdieu, Eichegreen, Pobłocki and Stiegler but also Lacan.

Keywords:
trust, betrayal, global economy, signifier, financialization, Arrighi, Bourdieu, Eichengreen, Pobłocki, Stiegler, Lacan

[…] the value of a unit of currency is not the measure of the value of an object, but the measure of one's trust in other human beings.

– David Graeber

The state of confidence, as they term it, is a matter to which practical men always pay the closest attention. But economists have not analysed it carefully […].

– John Maynard Keynes

1. The Special Status of Trust

What does it take to commend something to somebody? It requires trust. What about things whose loss would be irreversible, such as the work of one's entire life? Even greater trust. And what if the situation concerned not just individual achievements, but the fruit of work done by an entire generation? When whole decades of efforts made by millions are turned into assets, it would also seem natural to assume that commending such precious treasure to anyone must demand even more trust. However, it is not that simple because, in this special context, trust is often obligatory, putting one party up against the wall, scared and coerced to act under pressure.

Human thought has the tendency to make guileless extrapolations. The more valuable the entrusted goods, the more trust there should be in situations of exchange. After all, if there was no trust in the first place, people would refrain from commending goods to anybody and store them in chests of drawers. In reality, however, certain goods are a burden that is too valuable to remain in one's hands, creating danger and thus needing to be entrusted with somebody else. Their very presence is *traumatically excessive* and calls for distribution. This appears to be the key aspect in considerations of trust and betrayal.

Anthropological theoreticians of "rational choice"[1] who contributed to today's neo-classical economy optimistically developed only one model of situations involving trust. In their account, trust is a gift that can be simply given or withheld. Fundamentally, the entrusting party would be free to choose on the basis of rational calculation regarding potential gains and losses entailed by their decisions. Although limitations may be posed by cultural tradition or individual history, the decision to trust is basically made freely.[2] Certainly, generous trust can be beneficial, both economically and socially, but if one is less trusting, they may at worst miss these opportunities and be left to their own parochialism. In the end, we all weigh our odds and consider possible outcomes.[3]

This way of thinking prevails in Poland, where the index of social trust is among the lowest, and where the saying "a bird in hand is two in the bush" holds especially true since the "bush" remains inscrutable and impenetrable.

Rational choice theory bases on the light-hearted anthropological notion that human subjects exist just like that, on their own, endowing others with trust without much impact on their own existence. In reality,

1) The anthropological perspective of rational choice was aptly characterized by John Elster: "The elementary unit of social life is the individual human action. To explain social institutions and social change is to show how they arise as the result of the action and interaction of individuals." Quoted in Martin, *The Philosophy of Social Sciences*, 109.

2) Sztompka, *Zaufanie.*

3) "Rational choice theories hold that individuals must anticipate the outcomes of alternative courses of action and calculate that which will be best for them. Rational individuals choose the alternative that is likely to give them the greatest satisfaction." Heath, *Rational Choice and Social Exchange*, 3.

however, one's very existence can hang *only* on the thread of trust. The subject may be painfully aware that either they entrust themselves to somebody else, or they may lose everything, including their life. When one is cornered and desperately looking for someone who would accept the burden of their endangered life, we can call this moment a *traumatic encounter*.

Perhaps this has been the case all along and we simply failed to notice. This kind of anthropology was prefigured already by Thomas Hobbes in the argument that people trust the ruler out of fear for their lives. According to this model, the gift consists in accepting the burden of someone else's trust. In an inversion of trust and gift, the latter emerges as readiness to accept another's trust. However, the accepting side may not see their part as a gift but as debt, demanding payback for their willingness to be trusted.[4]

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In the *Groundwork of the Metaphysics of Morals*, Immanuel Kant shows that for any morality to be ethical, it needs to be conditioned by freedom.[5] For this reason, freedom is the necessary condition of individual morality, which freely mixes with other individuals. And so, we must act as if (*als ob*) we were free. The cunning of the intellect is of course revealed in "as if": we might not know if we are free but we need to act as if we were.

Unfreedom is possible precisely because we experience our lives as if we were free. In this sense, freedom is the condition of unfreedom. If no one had an inkling of freedom, no one would experience fetters as coercive.

This approach can be adopted in the context of relations. What if we assume relations to be the foundation of anthropology? This involves accepting that relations come before persons and that no one exists individually because all subjective existence hangs on the thread of the call – the call from other or others. In this light, individual existence is invariably determined with regard to the Other, regardless whether understood in terms developed by Emmanuel Lévinas or Jacques Lacan.

What is the condition of possibility for a relational, reference-based anthropology of Me-You, Me-Us and Me-Them? It is trust. Just as freedom is the metaphysical condition of individual morality, so trust is the ground for all relations. It involves another kind of necessity, or unceasing limitation that affects even everyday gestures: "we must act as if (*als ob*) we trusted others." We may not be sure if we can trust others, but we need to act as if we did. And just like in the case of (un)freedom, it is only on the foundation of trust that betrayal becomes possible. All in all, a basic degree of trust is necessary for any social relations.

When I turn the gas stove on in the morning, I trust that it will not explode. When I walk down the street, I trust other people will not throw themselves at me or deride me for being out of place. When I am in pain and go to see a doctor, I trust that my prescription will be for real medicine and not placebo or poison. Even in situations of being chained together with an enemy, I must trust that they do not attempt to harm or kill me.

Every gesture bases itself on an entire system of dependencies, each step in its development being premised on trust. When I put the gas stove on, I trust that the men who made the installation screwed all bolts properly, ensuring that no gas can leak, and that they knew what they were doing; that the fittings in the building were

4) Basically, as Ole Bjerg claims, this is the situation of banks, which are remunerated for relieving us of the burden of money. In practice, we also endow them with trust as institutions or even symbols. This happens despite the fact that we may hate banks. According to Bjerg, if a specific bank abuses our trust, it ceases to be a bank, but this does not affect trust for the institution itself, or the idealization of the object we desire to trust. If institutional trust breaks down, a regressive process is set in motion, leading to devastating social crises, as in 2007. See Bjerg, *Making Money*, 127–28.

5) Kant, *Groundwork*, 52–53.

designed properly and skillfully by a person holding appropriate certificates; that these certificates were not forged, and that the skills described on them are real, and so forth.

In short, the social world is a complex system of trust-based relations, without which societies fray. Examples include "fallen" societies that wage domestic wars, ones brutalized by ruthless dictators, ones corrupted by an uncontrollable hunger for profit, and finally – minorities persecuted by the majority. Social degradation and the ensuing erosion of trust (and possibly betrayal) can have many faces, ranging from extremes like decapitation or human trafficking in the Islamic State, to issues such as bullying of non-normative sexuality under "democratic dictatorship," or mass prescribing of opiates by US doctors despite better help being available (although more costly), the last example also being a symptom of structural inequality. Last but not least, there is the omnipresent encouraging of millions to take out loans they cannot afford.

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In mass society organized by a legal and institutional system as well as an imaginary sense of community, chiefly in the form of nation state, placing and accepting trust ceases to be a question of individual risk. Trusting others is necessitated by life, largely owing to specialization of work, while assenting to this is required by social relations defined in legal terms. What this means is that accepting trust becomes a duty. In Hobbes's state of war, the trusted party can choose whether to accept trust or not, and the giver risks being rejected. State law, on the other hand, transforms this relationship into one where accepting trust is enforced at a systemic level. Uncertainty, which constitutes the essence of interpersonal relations, is exchanged for certainty guaranteed by law.

Let us consider the well-known case in Poland of a printer refusing to sell their services to an organization defending LGBTQA+ legal rights. The law does not permit this on the basis of regulations concerning discrimination, obliging the printer to deliver their services regardless of personal beliefs. Thus, the right to entrust somebody with some task is tightly regulated, explicitly forbidding to refuse service to anyone on the basis of characteristics pertaining to religion, ethnicity, and sexual orientation. Basically, the entire system of social relations regulated by law is founded on exchanging individual and merely potential decisions for obligatory actions enforced by a sense of duty. Kant's categorical imperative would work similarly if people acted in accordance with it.

The relationship between potential trust in individual relations and its necessity at social scale reveals a crucial shift in logic. A vivid example of this transition (although in different context) is offered by Timothy Snyder in *Black Earth*, which addresses Shoah heritage in Eastern Europe.[6] He notes that situations when life depends on moral or immoral individual actions, as was the case with hiding Jews who relied on choices made by their hosts, in fact reveal the failure of society and institutions. Protecting citizens is, after all, a duty in democratic societies; when they deteriorate, enforced trust becomes reliant on the goodwill of individuals, also opening the possibility of betrayal.

On the other hand, in *Cancer Ward*[7] Aleksandr Solzhenitsyn delivers an apology for the above individual decisions of those who rescued others, unlike those who would rather send the persecuted to hell. The latter is understandable to the extent that societies ruled by institutionalized mistrust – as was the case in Stalinist Russia – trusting somebody and accepting trust in return emerged as the only means of rebuilding social relations ravaged by war and terror.

6) Snyder, *Black Earth*.

7) Solzhenitsyn, *Cancer Ward*.

Society and institutions transform the uncertainty around possible outcomes, or potential trust and betrayal in individual interpersonal relations, into the certainty provided by the social system of trust, which guarantees safety for all human beings. In order to work, this system requires necessity entailed by universal law and its signifiers: language forms and generally recognized symbols that irrevocably direct human behavior.[8] This necessity, which hides beneath the illusion of free choice, is vital to the present argument. It can materialize in two dimensions: the ethico-political body where law is (or should be) the expression of collective will, or in the commodity-based body where the necessity of trust is generated by a continuous, vibrating membrane of finance that extends over everything and everyone. This asymmetry is explored in what follows.

2. Trust, Credit, Debt

In his consideration of trust and betrayal, Bernard Stiegler notes that those who trust others become, in a way, creditors.[9] The etymology of "credit" points to the Latin *creditum* and the verb *credere*: "to believe" and "to trust." In this light, a creditor could be seen as someone who is ready to trust. A similar etymology is also found in German, where *Gläubiger* ["believer"] also means "creditor," as well as in Romance languages containing large families of words related to credit, trustworthiness, and betrayal organized around the above Latin roots.[10]
It appears striking that the word "creditor" (one-who-believes), formed like "governor" (one-who-governs) or servitor (one-who-serves), has semantically shifted from neutral to pejorative, as if reflecting contemporary social practices. According to theories of money that seek its origins in credit, the socially guaranteed "right which the creditor acquires to 'payment,' that is to say, to satisfaction for the credit [regardless of circumstances]"[11] infuses this relation with insatiable desire. In this context, Alfred Mitchell Innes observes:

> The root meaning of the verb "to pay" is: that of "to appease," "to pacify," "to satisfy," and while a debtor must be in a position to satisfy his creditor, the really important characteristic of a credit is not the right which it gives to "payment" of a debt, but **the right that it confers on the holder to liberate himself from debt** by its means – a right recognized by all societies.[12]

What would it mean to become unable to free oneself from debt? This concerns various forms of insolvable symbolic debt that make up the lives of people in traditional societies. Innes argues that money was created as an expression of the potentiality to repay debt, as a form of diminishing symbolic debt. Even if someone is not in debt after they were born, imaginaries in many societies are organized as if (*als ob*) we were born indebted, either to gods or people.[13]

Today, however, repaying debt is not seen as liberation, while indebtedness is associated with ruthless greed, addiction, or even enslavement. This is a vital aspect of David Graeber's position on the moral status of debt. As he argues,

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8) This character of transition from individual free will to general subjectivity is the heritage of Kant's *Critique of Practical Reason*, where the categorical imperative raises the question whether a given principle of individual behavior – or choice between possibilities – could become universal norm or necessary rule. For this reason, Bjerg's conclusion that banks which abuse trust cease to be banks has a distinctly Kantian ring to it.

9) Stiegler, *States of Shock*, 354.

10) Ibid.

11) Innes, "Credit Theory of Money," 152.

12) Innes, "What is Money?," 392–93.

13) Graeber, *Debt,* 67.

> If history shows anything, it is that there's no better way to justify relations founded on violence, to make such relations seem moral, than by reframing them in the language of debt – above all, because it immediately makes it seem that it's the victim who's doing something wrong.[14]

Two positions can be distinguished in relation to credit and debt. The first one is articulated by Stiegler, who holds that regardless of its shortcomings *credere* is a necessary condition of social relations. The second position is represented by Graeber, who believes oppressors always argue that their victims owe them something.[15]

Acknowledging the above etymology of trust as the foundation of all relations, I hold that the abuse and betrayal entailed by credit and debt practices are characterized by perversion, or the semantic reversal of what is crucial in human life: relations based on trust. Once again, betrayal is possible only if trust precedes it because trust alone is the condition of social relations and their binding material, although at the same time betrayal perversely feeds on trust.

As Stiegler shows in his reading of Descartes,[16] trust not only binds all social relations but also facilitates movement in the space of thinking. Without trust, subjectivity is paralyzed and fractured, becoming psychotic due to the lack of both the Other and its own center.

Further, as Bjerg demonstrates,[17] highly complex social relations such as those constituted by money, or financial signifiers, are possible not only thanks to trust in others, but primarily because of trust in the Other's trust: the hope that others trust too. We encounter here a structure akin to Lacan's mechanism of "desiring to be desired." Thus, it could be said that trust is indeed one possible form of this relation.

* * *

Perhaps this question was best formulated by Pierre Bourdieu in his concepts of social and symbolic capital. In Chapter 7 of *The Logic of Practice*, titled "Symbolic Capital," he writes that

> **Symbolic capital is credit, but in the broadest sense**, a kind of advance, a credence, that only the group's belief can grant those who give it the best symbolic and material guarantees.[18]

This perspective could be disqualified by arguing, *à la* Michel Foucault, that it submits social language to the regime of economy. However, it could be also useful if we consider its concepts as a bridge helping to return economy back to the people who actually lend their faces to its signifiers.[19]

Bourdieu was certainly aware of the discrepancy between social practice, based, on the one hand on the uncertainty of social relations (as in Lacan's *Que vuoi*?), or the merely potential and uncertain response to the gift of trust; and on the other, on its inclusion in the market system, or in economic representation that entails

14) Ibid., 11.

15) Ibid. He also notes that fiduciary money is based solely on social trust. Ibid., 245.

16) Stiegler, *States of Shock*, 354.

17) Bjerg, *Making Money*, 110.

18) Bourdieu, *The Logic of Practice,* 120.

19) Barbara Markowska offers more insight: "We either witness the economization of the entire social reality, entailing subordination of various areas to narrowly understood economic interest, in line with the claim that 'money runs the world,' … or this phenomenon stems from expanding the meaning of economy itself and giving it a cultural (and symbolic) dimension. This is how Bourdieu approached it, postulating elaboration of a general economy of practices as the science of fulfilling not only material needs (as in classical political economy), but also immaterial ones such as prestige, power and recognition." Markowska, "Kapitał jako kategoria analityczna," 111–12.

necessity. Thus, Bourdieu refutes Foucault, as is confirmed in a passage that is highly important from the present perspective and draws attention to one vital fact:

> By reducing **this economy** [social relations in traditional societies] to its "objective" reality, economism annihilates the specificity located precisely in the socially maintained discrepancy between the "objective" reality and the social representation of production and exchange.[20]

This stems from the following:

> The **theoretical construction which retrospectively projects** the counter-gift into the project of the gift **does not only have the effect of making mechanical sequences of obligatory acts out of the risky** and necessary improvisation of everyday strategies, which owe their **infinite** complexity to the fact that **the giver's undeclared calculation has to reckon with the receiver's undeclared calculation, and hence satisfy his expectations without appearing to know what they are**. In the same operation, it removes the conditions of possibility of the institutionally organized and guaranteed misrecognition.[21]

What can this passage mean in the present context? The "theoretical construction" expresses social relations in the language of economy, revealing the debt lurking behind gift exchanges as expression of social relations through economic signs and statements converting value into price. This entails transforming the "improvisation of everyday strategies," which are risky owing to their uncertainty, into "mechanical sequences" governed by the language of economy. Should the transition to the deterministic language of price-values fail, each trusting party would be put at "risk" because the bill of the trusted party would remain concealed. This places the trusting party in a relationship with the Other. But what does the Other want? *Che vuoi*?

As Bourdieu demonstrates, institutionalization of the theoretical ground for relations by expressing it in the language of economy transplants it from the domain of "institutionally guaranteed misrecognition" to that of "mechanical sequences of obligatory acts." In result, social uncertainty is transmuted into economic calculation, thus exchanging ordinary uncertainty about the future for a hypothetical certainty about the laws of economy.

How can Bourdieu's position be useful for this enquiry?

The "theoretical construction," or symbolization in the language of economy, retrospectively incorporates a single people's experience of the world, along with the uncertainty regarding the desire of the Other, into a *dispositif* afforded by the language of economy, including its continuity, value gradients, and conditions of equivalence. However, this gesture annuls "institutionally organized misrecognition," or the kind of relation with the Other where their desire remains unknown. It thus annihilates interpersonal trust, which is premised on uncertainty yet cements social bonds. Importantly, Bourdieu emphasizes that uncertainty is produced by the complex and institutionalized social organization, which facilitates even stronger cathexis, or *investment* in trust, providing it with more gravity in individual relations.

Contrary to the logic of "seeking certainty" that prevailed in modernity, as exemplified by Descartes's *Discourse on the Method*, social relations and trust are built on the uncertainty of the Other's response. In order to sustain them, society must protect or even foster uncertainty.

20) Bourdieu, *The Logic of Practice*, 113; emphasis added.

21) Ibid., 112; emphasis added.

* * *

Attempts made in theory of economy to transform uncertainty about the Other's response into a certainty that manifests presently as the price of the future answer, and provides the basis for *futures*, or long-term contracts, diminish this complex effort, Bourdieu argues. And yet we are delivered of this effort by financial advisors who argue that return on the capital is mathematically guaranteed. Encouraging us to take out loans or buy other financial instruments, they relieve us of the burden entailed by uncertainty. We all make a hard effort to deal with this serious strain every day. It seems natural that millions of people around the world want to believe bankers.

This line of argumentation can be aligned with Christopher Lasch's thesis about narcissism as the hegemonic structure of subjectivity in late modernity, revealing a structural explanation of this phenomenon. The more the conditions of production and consumption become the immediate human lifeworld, "favouring the creation of relatively autonomous fields, capable of establishing their own axiomatics"[22] (organized by the neo-classical theory of market efficiency and its humanistic counterpart that consists in the notion of desiring machines developed by Gilles Deleuze and Félix Guattari), the less space there is left in human imagination for the desire of the Other, uncertainty about the future, and "institutional misrecognition" (the complex *dispositif* that produces forces which materialize in relations), and also, the less the value there is in the desire to position oneself in relation to the Other and others, which entails the necessity to trust in the form of Pascal's wager on bonds. In these vacant places narcissism blossomed as the form of existence in the social world of the late twentieth century – a form that reduces the complex, Oedipal ties encountered in former societies.

Crucially, narcissism is the gateway to both perversion and psychosis.

Still, uncertainty even creeps in those areas of social relations where the economic system is supposed to transform doubts about ethical decisions made by others into necessity-driven chains of events. A highly persuasive account of uncertainty, or theory of catastrophes in the economic world is contained in Nicholas Nassim Taleb's *Black Swan*.[23] Exiled from "the Switzerland of Middle East" owing to unforeseen war, the Lebanese writer knew all too well that theory does not describe the future with certainty. Ultimately, black swans were joined by Michele Wucker's grey rhinos[24] and the "mother of all catastrophes" – climate change.

* * *

If economy indeed distributes excess through the *symbolic system*, the above theoretical accounts would acquire a deeply philosophical sense. Lacan argues that the real not only escapes symbolization but also tears it apart. Economic practices based on systems of financial signification constitute complex *dispositifs* supported by networks of symbols that mitigate the destructive excess of incoming energy by distributing it, albeit unevenly. In the process, however, *traumatic encounters* become concealed and disappear from view.

Martin Caparros gravely notes:

> The malnutrition of the poor in poor countries consists of eating very little, which stifles the development of their bodies or their minds; for the poor in the wealthy countries, it consists of eating a lot of cheap junk – fat, sugars, salt – and developing huge bodies.[25]

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22) Ibid, 113.

23) Taleb, *The Black Swan*.

24) Wucker, *The Gray Rhino*.

25) Caparros, *Hunger*, 1137.

People who do not know each other can refer to one another other only through relations with things by comparing their respective positions in the network of distributed goods. Importantly, they consider this to be quite unproblematic. This is an example of how symbolic systems protect the social relations formed in their thrall from the impact of *traumatic encounters* in the effort to avoid conflict.

Let us briefly return to Caparros:

> For many millions of well-fed citizens [of the global North], **it was much better to think of access to food in terms of distribution**; for those suffering from savior complexes, it was easier to imagine the problem as one of scarcity and plunder.[26]

Allocating the potential contained in *traumatic encounters*, or conflicts, relies on vast networks that distribute things and symbols. However, this work is never complete as balance keeps being upset, even for the basic fact that energy is always flowing into the system, accumulating in places where energy is ample and depleting already deficient areas. It proves this kind of work to be similar to that of Lacan's real. In this light, it also becomes understandable that, as Palagummi Sainath notes, a Vidarbha farmer said he dreams of being reborn as a European cow because these animals enjoy the greatest food security in this world.[27]

What is weird and haunting in certain sentences marks the pressure of the real. Excess of distributed energy ultimately destabilizes every system of producing certainty, creating black swans, grey rhinos, and seemingly improbable tropical cyclones.

* * *

In his discussion of relational work, Bourdieu notes how much effort it takes to sustain the social world. In this, he touches on the aforementioned phenomenon: in order to become a space for relations, all variety – a cloud extended, occupying a fragment of the world and allowing different and diverse positions to be determined – in order to become a space of relations, requires prior work of distribution, and therefore energy. In this sense, space is the kind of energy that makes it possible to distribute energy.

The Earth protects itself from cosmic radiation with several layers of the atmosphere, green rugs that assimilate sunlight and transform it into living beings, and the oceanic abyss of great thermal capacity. This kind of surplus economy was elucidated by Georges Bataille. The energy of drives, in turn, must be distributed in Freud's "mental apparatus" in the form of cathexis, or investment in various conflicting and balancing instances: id, superego, and the mediating ego. This is our "mental economy." According to Lacan, the energy of *traumatic encounter*, or of *the real*, must be distributed by the *symbolic system*.

Bourdieu offers the following account of relations and work:

> **The work of reproducing established relations** – feasts, ceremonies, exchange of gifts, visits or courtesies and, above all, marriages … is no less vital to the existence of the group than the reproduction of the economic bases of its existence.[28]

26) Ibid., 1790–791; emphasis added.

27) After: "At conference for film and television writers, P Sainath reminds them of rising inequality," *Scroll*, https://scroll.in/reel/813168/at-conference-for-film-and-television-writers-p-sainath-reminds-them-of-rising-inequality, accessed March 12, 2022.

28) Bourdieu, *The Logic of Practice*, 112, emphasis added.

Taking the occasion afforded by this passage, to which I return later, it needs to be emphasized that relations must be constantly recreated in order to exist. The formal condition of every relation is trust, but sustaining them also takes effort. Trust is work, the kind that creates value. What arises from this is that, first, relations and the trust that enables them are more painful than their absence, and second, within the very existence of a relation there is the work of sustaining it, which reproduces the relation. Following in the footsteps of the well-known equation connecting the sum of work and the sum of monetary value, it could be said that the thickening of the web of relations necessarily leads to the emergence of a corresponding number of signifiers which represent the value of these connections.

In natural languages these are signs that structure various social references, for example the entire world of family relations and kinship recognized by traditional indigenous societies. The "matter" of these relations is trust, which is always uncertain and based on the *Che vuoi?* formula. When natural language becomes permeated with that of economy, monetary signs proliferate quantitatively, increasing the total sum of money in circulation.

Crucially, in this sense, expanding and thickening the field of social relations leads to the increase in the sum of money that can turn into capital. It was also captured by Ferdinand Braudel:

> Let me emphasize the quality that seems to me to be an essential feature of the general history of capitalism: its unlimited flexibility, its capacity for change and *adaptation*. If there is, as I believe, a certain unity in capitalism, from thirteenth-century Italy to the present-day West, it is here above all that such unity must be located and observed.[29]

This has stunning consequences.

The quotation from Bourdieu broken off above, concerning the work necessary to sustain the world of relations, concludes in this way: "the labour required to **conceal** the function of the exchanges is as important as the labour needed to perform this function."[30]

Thus, he emphasizes yet again that the language of economic relations must be submerged in ideology, a *dispositif* that conditions the formation of social relations, protecting their self-standing meaning as symbolic capital. This does not mean that capital is not transformed into monetary signs ripe in strictly economic capital.[31] Ole Bjerg elaborates on this issue by concurring with Slavoj Žižek that "Ideology is not a distortion of the way 'things actually are.' On the contrary, ideology is a necessary precondition for things to appear the way 'they actually are.'"[32]

This hypothesis assumes that every society relies on the functioning of these two different orders of representation and symbolization: the one based on natural language, producing symbolic capital, and the one based on the language of economy, producing financial capital.

3. Financialization

In his seminal study on the development of modern capitalism, *The Long Twentieth Century*, Giovanni Arrighi crucially argues that financialization is rooted in the fact that

29) Braudel, *The Wheels of Commerce*, 433; original emphasis.

30) Bourdieu, *The Logic of Practice*, 112; emphasis added.

31) Transformation of symbolic capital into financial capital, while retaining its specificity, is discussed by Bourdieu in *The Logic of Practice*, 124ff.

32) Bjerg, *Making Money*, 112.

> All major trade expansions of the capitalist world-economy have announced their maturity by reaching the stage of financial expansion. Following Braudel, we identify the beginning of financial expansions with the moment when the leading business agencies of the preceding trade expansion **switch their energies and resources from the commodity to the money trades**.[33]

Arrighi captures this process using Marx's MCM' formula of capital:

> Money capital (M) means **liquidity, flexibility, freedom of choice**. Commodity capital (C) means capital invested in a particular input-output combination in view of a profit. Hence, it means concreteness, rigidity, and a narrowing down or closing of options. M' means **expanded liquidity**, flexibility, and freedom of choice.[34]

Consequently, Arrighi defines capital as a kind of social relation: freedom of choice, flexibility and liquidity. Capitalists are more free than industrialists, not to mention workers. Paradoxically, Arrighi aligns himself here with Hayek.

From the perspective of *traumatic encounter*, the flexibility of capital in the era of financialization also entails that, as Caparros put it, capitalism has no place for the dispossessed: "They are not proletarians – cogs necessary for the machine to function; they are refuse. They are refuse that nobody knows what to do with."[35]

* * *

Let us return to symbolic systems. The core of financialization is that, in late phases of all stages in its development, capitalism shifts to the MM' model of financial capital, which directly provides even more financial assets.

At the turn of the fifteenth and sixteenth century, merchants from Genoa, who not long ago enjoyed trading privileges bestowed by Byzantium, stopped dealing goods and began to simply loan capital to the Spanish monarchy. Fleets built with this money transported gold stolen by conquistadors from the New World, bringing even more capital to the table. In the seventeenth century, Venetians also relocated their investments from ships and commodities to the growing center of colonial trade in Amsterdam, profiting from capital interest. When William of Orange landed in Torbay in November 1688, the Dutch established, through the Glorious Revolution, a polity that fostered rapid growth of capitalism.[36] In this way, they "passed the baton"[37] and retired to banking.[38]

Arrighi identifies three phases in the "long twentieth century":

> (1) the financial expansion of the late nineteenth and early twentieth centuries, in the course of which the structures of the "old" British regime were destroyed and those of the "new" US regime

33) Arrighi, *The Long Twentieth Century*, 86; emphasis added.

34) Ibid., 5; emphasis added.

35) Caparros, *Hunger*, 2067.

36) The Bank of England was established in 1694, six years after the coronation of William of Orange. One of its first decisions was to establish paper money that could, in practice, infinitely multiply the money in circulation; see for example Grela, "The Underexamined Role of Money."

37) Don Kalb quoted in Pobłocki, *Kapitalizm*, 438.

38) Arrighi, *The Long Twentieth Century*, 11.

> were created; (2) the material expansion of the 1950s and 1960s, during which the dominance of the "new" US regime translated in a world-wide expansion of trade and production; and (3) **the current financial expansion, in the course of which the structures of the now "old" US regime are being destroyed** and those of a "new" regime are presumably being created.[39]

The problematic element in Arrighi's concept of cycles concerns what the moment of financialization actually means. It involves investing money as capital in money, just like in the MM' model. When money turns into product, the increase in value is understandable. However, if we agree with Marx that the circulation of money itself should not increase capital, then how is it possible that, in the MM' model, the sum of money derived from speculation is higher than the initial investment?

Susan Buck-Morss expresses this doubt in a commentary on Quesney's visual representation of goods circulation as the source of wealth:

> A century later, Marx would credit Quesnay with seeing that the "birthplace of surplus value is the sphere of production, not that of circulation." At the same time, **the "picture" Quesnay provided was one in which these two schemes, circulation (circular flow) and production (the fertility schema), folded into each other in the same social body**.[40]

Incidentally, Marx's analysis of money as a means of circulation also contains the observation that "circulation sweats money from every pore."[41]

Social life and its material flows would not be possible without the unceasing immense work that creates all dimensions of social relations, at the same time sustaining every being and thing in its place. This kind of work is rarely called work, although it is increasingly often included in economic calculation as "care" or "household" work – the kind that is most often performed by women.[42]

Inspired by Bourdieu, the concept of relational work bridges the two spheres discussed by Buck-Morss. On the one hand, it is productive and on the other circular insofar as all relations are flows that facilitate distribution of energy through active effort. Finally, all material objects coagulate in these flows - as aptly named in the concept of commodity fetishism – and are thus inherently relational.

Notably, however, part of relational work does not sustain pre-existing traditional relations – the focus of Bourdieu's discussion of Maghreb culture – but rather serves to break established ties, shift their poles, and establish new coordinates. As Ferdinand de Saussure demonstrated, we all do that as language speakers. This has only intensified in capitalism. Marx observes that "the exchange of commodities breaks through all local and personal bounds"[43]; in result, it can bind individuals and communities outside of their geographical, historical, and psychological territorializations, creating a "vibrating membrane" (Bourdieu) of capital or "body without organs" (Deleuze & Guattari) on whose surface desiring machines can meet.

Marco Polo's incredible journey from Italy to China across many ecumenes also involved relational work, establishing coordinates and distributing energy.

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39) Ibid., x; emphasis added.

40) Buck-Morss, "Envisioning Capital"; emphasis added.

41) Marx, *Capital*, Vol. 1, chpt. 3.

42) Wezerek and Ghodsee, "Women's Labor Worth $10,900,000,000,000."

43) Marx, *Capital*, Vol. 1, chpt. 3.

* * *

Anthropologist Kacper Pobłocki critically reworks Arrighi's theses in an attempt to move them from the temporal to the spatial paradigm.[44] Instead of describing capitalism's expansion as a linear and Eurocentric history of scale-widening cycles, he proposes an account that embraces its discontinuous and spatial aspects.[45] Pobłocki draws attention to how subsequent moves up the economic scale – from Genoa and Venice to Amsterdam, then to London and New York – involved subordinating further areas of social relations. Therefore, capitalism expanded not only geographically but also semantically throughout the persistently colonized areas of human life.

Italians armed and indirectly "loaned" Spanish and Portuguese soldiers to rob the newly "discovered" land. Under William of Orange, the Dutch subordinated the military to capital, incorporating the former in the economic system of representation. Basing on this, they would establish coastal trading posts on Spice Islands but never travel deeper inside. The English, on the other hand, would first extend their claim over entire territories of colonized countries, and then subordinate both work and machines to capital. The Industrial Revolution immensely increased the scale of energy represented in economic systems, paving the way for the first globalization in late nineteenth century. Finally, Americans turned urbanization and communication into a relational space producing profits at hitherto unseen scale. Pobłocki summarizes this process by arguing that "each subsequent hegemony or phase in the development of capitalism can be understood as a **specific spatial dispositif**: a material way of organizing money."[46] This also involves the emergence of previously unrepresented structures and relations in the homogenous language of economy on the surface of Braudel's "vibrating membrane." As Pobłocki clarifies,

> Each phase based on the long period of trade expansion as capitalism incorporated previously autonomous spheres like army or production, creating new ways of living. **When this model proved defective, capital refocused on financial speculation**.[47]

In terms of the semantic of economy, the crucial process concerns including subsequent areas of life and relations, including the work behind them, into the space of representation, along with their condition – social trust – and its shadow, betrayal. From the perspective of capitalism, they thus become visible and the energy that distributes them begins to flow in the economic system. Hence, commodification here means not only the exchange of use value for exchange value, but the incorporation of the relations existing outside the semantics of economics into the economic system of representation. Those who control money by occupying key nodes in the network of circulation can use the energy distributed by financial signs to expand the range of the network. In Nick Land's terms, this means the expansion of "production for the sake of production." What becomes product are in fact new ways of distributing energy in financial *dispositifs*.

It is precisely because this movement occurs in spaces of relations existing both geographically and temporally that it allows us to overcome the dilemma central to Pobłocki's book: "space or time," "geography or history" and talk about a certain topology, a multi-dimensional variety containing both time and space; where economic representation regulates distribution. Subsequent hegemonies have seized ever greater areas

44) "As a rule, acquiring these organizational capabilities was far more the result of positional advantages in the changing spatial configuration of the capitalist world-economy than of innovation as such." Arrighi, *The Long Twentieth Century*, 14.

45) Pobłocki, *Kapitalizm*, 451–55.

46) *Kapitalizm*; emphasis added.

47) Ibid., 172; emphasis added.

of the human and natural relational world, bringing them into a system of representation that decides about further distribution of energy accumulated in relations.

This space is invariably one of social relations, with all their redundancy, both when it includes relations such as productive labour, as exchange relations or what we call symbolic capital. It is so even when it covers the space of nature. From the social point of view, it does not exist if it is not the pole of the relationship that man establishes with it. Even post-humanist accounts of world-without-humanity are written (so far) by people.

* * *

Arrighi's thesis can be reformulated in light of the above. First, financialization is not the closing stage in the development of a certain "spatial *dispositif*," nor has its model proven defective after swallowing up formerly independent spheres and turning to financial speculation (as Pobłocki notes). It would thus not be a lunch that one really earned.[48] Finally, financial capital does not herald an era of money alchemically concocted from money: it is not a miraculous creation *ex nihilo*.[49]

Financialization flourished when the already saturated and expansion-ready economic system began to rapidly colonize new areas of social relations, ones formerly outside its jurisdiction, developing their representation. It uses the energy accumulated in networks of signs in order to extend its reign over domains hitherto beyond its reach. This happened when the fruits of the work of slaves on cotton plantations was connected by the British fleet with English centers of textile industry and markets in India.[50] And until it was delegalized, returning ships would transport more captured Africans to American plantations.

As late as eighteenth and nineteenth-century colonialism, these phenomena – the depopulation of West Africa, the hardship, violence, and misery of the Louisiana plantations, the cheap linen flooding India, the dying caste of Indian weavers – emerged as the sudden accumulation of huge sums of money, announcing a major scale increase of covered areas. Thus, capital embraced new territories, however represented this process only in the form of signs of the financial language – accumulating capital – and its sentences: prices. Other modes of representation rooted in natural language arrived only later. This is well illustrated by the case of English society: moved by terrifying images of abduction and human trafficking, transportation of slaves on British ships was outlawed in 1807 through political decision.

The crucial moment occurs when areas of relations newly covered by the language of economy only begin to be represented. Philosophical understanding of the Fisher's equation[51] shows that sudden increase in the number of relations incorporated into the system, including slavery, violence, and exploitation, corresponds to the sudden increase in the number of monetary signs. Expansion of the scale of social relations accordingly "yields" money that flows toward the center of economic gravitation. However, "primary" representation causes signs to proliferate in the simplest way rooted in basic, quantitative aspects specific to the newly colonized spaces of social relations. In result, both the booming plantations and factories as well as the impoverished and enslaved bodies are expressed in the same language of economy, where the only value is price: that of a slave, a bale of cloth, or an hour of work in the factory.

This process marks a shift from qualitative to quantitative value:

48) Ibid., 172.

49) Ibid., 137.

50) See Hobsbawm's works on "the long nineteenth century": *Age of Revolution*; *The Age of Capital*; and *The Age of Empire*.

51) $PT = MV + M'V'$; for simplicity $PT = MV$, (i.e. the supply of goods T multiplied by the price level of these); P must be equal to the money supply M times the rate of circulation V.

> In "Mama's Baby, Papa's Maybe: An American Grammar Book" Hortense Spillers writes that Africans packed into the hold of the ship were marked according to Euro-Western definitions not as male and female but as differently sized and weighted property.[52]

Taking cue from Ian Baucom, Marta Olesik describes the next step as the moment when, onboard the slave ship, "body is transformed into price, a sign in the system of values."[53] Since commodification of social relations (or enslavement) begins to be expressed in the language of economy, Fisher's equation is triggered, creating a sudden increase in the number of monetary signs. The *traumatic encounter* of human beings and property rights has found its symbolic expression in the peculiar form of price.

* * *

Thanks to the inclusion in the economic system of representation with its monetary signs, Bourdieu's "relational work," which maintains a degree of complexity within social bonds, distribute *excess* energy. The system transfers some of it, through Braudel's "vibrating membrane," toward the system's center in the form of exploitation and accumulation. On the other hand, along with the trickling of peculiar price points into newly colonized areas, they are revealed as returns on invested capital. The interplay of these two processes entails sudden impoverishment and enrichment caused by the inclusion of social relations in economic representation.

The dramatic shift in the scale of sums handled by banks and financial markets at the turn of the twentieth and twenty-first century thus appears connected with the exponential growth in the scale of relations represented in the global system after including the South in mondial economy, chiefly China and India, where much of Northern production was transferred.

Economist Gerald A. Epstein studied financialization and argues as follows:

> Evidently, then, sometime in the mid- to late 1970s or early 1980s, **structural shifts of dramatic proportions** took place in a number of countries that led to significant increases in financial transactions, real interest rates, the profitability of financial firms, and the shares of national income accruing to the holders of financial assets.[54]

Epstein primarily had USA and the UK in mind, but from the perspective of the *traumatic encounter* between North and South, the scale of representation in global economy is much vaster. Immense workforce arose in the South: in China alone, 220 million people were employed in the industry in 2020 against the total of 750,64 million working there in total, which is more than Europe has ever had.[55]

Accordingly, the emergence of a new Asian middle class has multiplied the scale of all social relations. This stratum comprises approximately 30–40% of Asian societies: 700 million in China and 293 million in India, as of 2020.[56] This is three times as many as USA and Europe combined in the mid-twentieth century. All

52) Sharpe, *In the Wake,* 199.

53) Olesik, "Burzliwa historia," 6.

54) Epstein, *Financialization and the World Economy,* 4; emphasis added.

55) After: "Number of employed people in China from 2012 to 2022," *Statista*, https://www.statista.com/statistics/251380/number-of-employed-persons-in-china/, accessed March 13, 2022.

56) After: "Number of the middle class population in China in 2002 and 2020," *Statista,* https://www.statista.com/statistics/875874/middle-class-population-in-china/, accessed March 15, 2022.

in all, one billion people are entering complex social relations, further augmenting the growth of the relational sphere, which also "yields" money at an appropriately greater scale.

So far, this process is represented only in the language of economy. Other complex forms of expression pertaining to human fate, suffering, joy, and emergent beauty are beginning to form, but their representation in the Northern *ecumene* is weak, partial, and does not significantly impact the social *imaginary*. Ideas from the global South, contained in novels by Arundhati Roy, Amartya Sen's studies of economy, postcolonial theory, or even complex *dispositifs* such as China's New Silk Road, have not entered the Northern *ecumene's symbolic field* and thus cannot reshape it; it only bends and patiently returns to its former shape.

Indeed, large relational domains that were colonized and subsumed by capital, along with the work of sustaining them described by Braudel, slowly enter the sphere of representation, their complex webs revealing new ways of living embedded in a new *dispositif* and *ecumene*.

New *master signifiers* that reorganize entire *imaginaries* will certainly emerge in the future, demarcating new relational spaces with increasing intricacy, mobilizing material practices, social movements, legal systems, textual accounts, new mores, and finally, stirring novel *fantasies* and framing a different *dispositif* that will eventually incorporate and transform ways of thinking that regulate human life today.

* * *

To sum up this thought experiment, historically speaking, financialization emerged when a new area of social relations was subsumed under the language of economy. This concerns equally the geographical scope, the depth or density of relations, and their diversity. Each step in these spheres reveals itself through sudden increase in financial means available in "old" centers of distributing capital.

As Arrighi explains, this is characteristic of King William's inclusion of the military in economic valuation and management, which boosted capitalism's potential and was recorded in representation in the form of capital increase. Graeber noted that the emergence of mercenaries in antiquity conditioned the appearance of cash money.

A similar role was played by what Polanyi critically assessed as the inclusion of land and hired labor (and money) into economic representation. His key argument was aptly summarized by Nigel Dodd:

> Polanyi argues that the development of market society stalled around the failure to completely marketize the "fictitious" commodities of land, labor, and money. **These are fictitious in the sense that they are not directly produced for sale but are derived from the very organizing principles of society itself.** Labor is simply a name we give to a human activity that is integral to life. Land is but another name for nature. And money is merely a token of society's purchasing power. To subject any of these "commodities" purely to the forces of supply and demand – to offer them for sale in free markets – would result in the "demolition of society."[57]

According to Simmel, Weber, and others who viewed modernization as rationalization, abstraction of certain areas of life that hitherto belonged only with the continuous and homogenous matter of social existence constitutes the key to changing the world by subjecting it to reason. Such dominance may arouse fear in the time of Anthropocene, but its existence is not really doubtable.

57) Polanyi quoted in Dodd, *Social Life of Money*, 279–80.

Basing on extensive research, Pobłocki[58] shows that from the regulation of land trade in England and USA in the eighteenth-century to the "liberation of the economic potential inherent in land" during the last few decades in Asia,[59] representation of land ownership has been the source of capital increase and a social relation within the economic system. It is the possibility to take out a loan on the basis of land property, or to sell and buy it that "produces" money. As Pobłocki points out, until 1914 European capitalism focused on "immovables, not mobile property" and "the greatest fortunes were made not in the industry but in trade, land, and banking."[60] At the same time, historian Arno J. Mayer, referenced by Pobłocki, links this theme with the character of the broader model of civilization, dominated by "pre-industrial interests, pre-bourgeois elites, non-democratic polities, pre-modern artistic languages, and archaic mental idioms."[61]

An interesting aspect of this thesis is related to the assumption that even in the "age of empires" – after 1870 – an important element of accumulation, increasing the scale of sums of money operated by owners and circulated in society, was the change in the way in which various social relations are represented in the language of economics. The new nature of property rights was revealed in capital. In other words, there surfaced a new way of organizing the condition of trust. Consequently, each change in the scale of marketizing social trust translates into a shift in the continuous space represented in the language of economy, increasing the number of monetary signs – money.

* * *

Contrary to Polanyi, who argued that economic development became stuck after subsuming work and land, I would argue that using the language of economy to represent work, extracting it from "human activity as life" and turning into a product that can be evaluated just like any continuous substance, has played a key role in the development of market economy. Owing to this step alone, amassed work could be represented as capital, which in turn would transform into stable capital through industrialization. Automation exponentially increased the intensity of social relations constituted in work, which entailed an equally sudden increase in the total sum of represented capital.

The problem is not that natural relations are seen through an abstract medium, or that the constant oscillation between the "natural character" of earth or work and their abstract representation shatters the "unity of time and place" in the social drama of economy, simultaneously being the necessary condition for recombining its various scenes. The problem is that there is a gap between the scale and character of this abstraction on the one hand, and the dimension of human experience on the other. It is here that the *traumatic encounter* takes place.

The epic that brings together plundered Africa, American cotton plantations, and Indian textile markets (the weaving machine was a *symptom* of this epic), entailed irreversible commodification and frequently the annihilation of millions of lives. British leaseholders who were expropriated and forced to work in factories, Africans enslaved and sold to toil on plantations, and the starving weavers in India all joined the ranks of Frantz Fanon's "wretched of the earth."

The industrial war waged on unseen scale in 1914–1918 outdid everything people understood as military conflict. Its balance showed millions of lost lives on the one hand, and millions in lethal debt on the other. After

58) Pobłocki, *Kapitalizm*, 444–48.

59) See for example Heaton, *Financing the Industrial Revolution;* Linklater, *Owning the Earth*; Hsing, *Politics of Land and Property in China*; after Pobłocki, *Kapitalizm*, 443–50.

60) Pobłocki, *Kapitalizm*, 448.

61) Mayer quoted in Pobłocki, *Kapitalizm*, 448.

all, killing is also a relation, although it consumes value rather than generates it. Consequently, the irreversibility of death was converted into something that can always return: value affixed by price. Accordingly, the *real* entered the *symbolic*. Ironically, a remark by Marx fits perfectly here:

> In the first phase of its circulation the commodity [or commodified form of life] changes place with the money. Thereupon the commodity, under its aspect of a useful object [soldier], falls out of circulation into consumption. In its stead we have its value-shape – the money.[62]

As a *signifier*, money represents the commodified subject. Importantly, however, although humans can perish, *signifiers* cannot.

Symbols of Trust

Trust is the condition of the relational world, where work distributes the energy of *traumatic encounter*, which is always excessive and destructive. Trust can fluctuate and crumble after betrayal. Since relational social space expands and contracts to its rhythm, these ebbs and flows must generate – per Fisher's equation – sudden vacillation in the number of monetary signs: money. This becomes visible when crises unfold.

In these moments, the *subject* and the *Other* reconfigure their desires, the situation even potentially altering who is the subject and who the other. Their relationship and trust must become abstract and enforced, exceeding the scale of individual life or freedom. At this stage, it becomes the kind of trust described earlier in the context of the entrusting party imploring in desperation for someone to accept them, which at the same time enables betrayal.

* * *

The financial crisis of 2007–2008, perhaps the most significant economic event of the twenty-first century till now, has been appropriately hailed "a crisis of trust."

Insightful economists have already described the mechanism behind big credit, which helped the American economy to function beyond its means, along with its protectee Europe[63], the two forming the core of the global North. It was rooted in the illusions, visions, and powers mobilized by *master signifiers* and *dispositifs* that the hegemonic West has relied on since the nineteenth century. These broadly include Orientalism, machine guns, and the international monetary system. In the eyes of the rest of the world, these *dispositifs* represent the *fantasy-driven desire* for the domination of "whites."

Recent financial, pandemic, military, and climatic crises, along with their sociopolitical consequences, have torn down the illusion of wellbeing and security. However, there is a deep connection between the historical transfer of monetary signs to the North and the "crisis of trust" that escalates there today, gradually eroding the social institutions that used to provide a sense of security.

In 2007, the crisis was provoked by lack of mutual trust among economic agents, which undermined the readiness to loan, triggering a snowball process. However, let us acknowledge here the already introduced question of necessity and lack of choice – a force that greatly amplifies the potential to "trust."

62) Marx, *Capital*, Vol 1, chpt. 3.

63) Eichengreen, *Globalizing Capital*, 219.

China produces everything in thousands of factories employing myriads of workers. This was also made possible by the fact that the Chinese countryside contained a reservoir of illegal people, born without permission and practically stripped of civic rights. Peasant families had to apply for a permission to have children and any excessive offspring was formally nonexistent. Hence, the billion-strong society also included a large underclass forced by poverty and the political regime to make extraordinary economic efforts even though their work cost virtually nothing. Although nowadays this price has risen, this does not change the fact that, as already mentioned, the scale of hired labor changed rapidly in the second half of the twentieth century. The fruit of this work – not only toys, clothes, and gadgets, but also sophisticated electronic devices, machines, and infrastructure – have been sold all over the world for real sums that flow back in streams to those at the helm of Chinese economy.[64] Still, there is very limited potential for the Chinese society to absorb these profits. Even after the emergence of its own middle class whose relational work contributes rather to the proliferation of monetary signs, consistently increasing their sum – in US dollars.[65]

This mechanism is not specific to China. It can be traced in most of the rapidly developing "third-world" countries that are chasing the already sated global North, without paying any heed to the impending climate catastrophe. Mountains of money are amassed in India, Indonesia, and Brazil as well as in countries selling fossil fuels such as Russia or Saudi Arabia. These mounds of money are terrifying, casting a shadow over the political wielders of economic power. They make you ask the question: what to do with it?

* * *

Money cannot just sit in place: its essence is flow, movement, and potential. When rendered inactive, it becomes a nothingness that exploits those who control it. Hoarding, or exchanging money for precious materials stored in vaults worked in feudalism. Today, however, the accumulated fruit of work done by millions, when converted into billion-strong sums, appears too great a burden for those who hold it, as if burning their hands.

Chinese and similar authorities can choose what to do with the scorching-hot treasure by deciding how to invest spiraling sums of money. How can momentum be given to these financial signs, along with the potential for the commodification they carry. To recap, it is not a free decision about investing in something. It is a compulsory situation. High officials responsible for these billions, and their subordinates, quiver under the look of political secretaries or sheikhs, dreading the inevitable question: "How, my dear friends, are you handling our trade surplus?"

This is also a *traumatic encounter*. The very thought of innumerable rivals waiting for their misstep sends a shiver down the spine.

What can be done with this mass of financial signs? They can cover the cost of constructing new factories, roads, dams, and high-rises, which is of course being done. And yet, this is not enough. Weaker countries can be deprived of means by buying up their goods. For the new Chinese middle class to have meat on their tables every day, just like their older Euro-American counterparts, it becomes necessary to acquire land from leaseholders in places like Madagascar. However, there are no factories on Madagascar where its dispossessed could work because they are located in China. The situation of these people, according to Caparros, is as follows:

64) Eichengreen, *Globalizing Capital*, 214.

65) Following Arrighi, Pobłocki holds that the very establishing of US dollar as the accounting currency for oil transactions was an expression of USA's hegemony. In the present context, it becomes visible that this was also hegemonic in symbolic terms. See Pobłocki, *Kapitalizm*, 160.

> They are refuse that nobody knows what to do with. Or they know, but they don't dare… . The disposable ones, then, are not disposed of but rather kept in a pitiful state of limbo.[66]

* * *

According to Barry Eichengreen, a historian of financialization and author of the insightful study *Globalizing Capital*, local economies are too weak to absorb capital:

> For China, saving 50 percent of GDP and investing nearly that much were not sustainable economically or politically. **It simply was not possible to deploy that much additional capital year after year – to build that many new factories and dams – without significant inefficiencies**. And it was not socially palatable for households to defer that much consumption indefinitely.[67]

Poorer countries could raise wages in response, which is happening slowly, but it needs to be kept in mind that the larger machine operates because the labor of workers from the global South is almost free.

Well, in matter of fact the postulate of "wages raised" could be only formulated by some communists, but Chinese rulers are communists after all, which leaves it undecided who should do so.

Anyway, subsuming large areas of social relations, including work and trust, under homogenous economic representation in the language of finance, and the allocation of large numbers of monetary signs connected with this process forced the authorities bound by sovereignty to decide where to direct financial flows. This is confirmed by the examples of China, Russia (which sold oil for over a hundred dollars per barrel), Saudi Arabia, and Japan before them.

This is where America enters the picture. As Eichengreen notes,

> All this excess saving had to go somewhere. If all these countries were in current account surplus, in other words, someone else had to be in deficit. That someone was the United States… . In effect, other countries purchased financial claims on America, and America purchased merchandise from other countries.[68]

Who is trustworthy in the eyes of a Chinese bank CEO, a Russian *silovik*, or a Saudi prince? Their colleagues? Institutional partners? Family? Certainly not. They can only trust someone saying "I'll take it!" In order to win their trust, it is simply enough to accept the burden. Contrary to all expectations, few would really accept billions of dollars. As gangster films show, taking a found suitcase with money is dangerous, and can even be a curse. Chinese handlers of billions gladly embraced the American offer of bonds, which amounted to saying: "We'll take it all and return with interest!"

> The principal beneficiary of this state of affairs was none other than the United States. To prevent China's enormous export earnings from fanning inflation, the People's Bank had to mop up the foreign earnings of exporters. The logical place to park the foreign exchange it thereby acquired was

66) Caparros, *Hunger*, 2067–68.

67) Eichengreen, *Globalizing Capital*, 216; emphasis added.

68) Ibid., 211.

> in U.S. Treasury bonds, the market in which was deep and liquid. This was a trade to which both countries could agree. **The United States in effect had a comparative advantage in producing and exporting liquid financial assets, while China had a comparative advantage in producing and exporting manufactured goods**.[69]

Moreover, the American issuer of bonds was the only one to come to the rescue, defusing a huge problem. Thus, the *silovik* will pour shots of ice-cold vodka, the desert prince will organize a hunt with falcons, and the Chinese oligarch will throw a dinner with 768 courses, all of them in love with the one who relieved them of mountains of money.

At the same time, there is hate: the one that the Han people have for ghosts from beyond the sea, the kind that people of Ummah have for infidels, and the type that inheritors of Byzantium have for the Latin world. Paradoxically, trust in USA bases on a mixture of fascination, aversion, envy and helplessness. Who is trustworthy? In a world ruled by power, it is the one who cannot be destroyed. The Chinese were well aware of the brittleness of Russia, and vice versa. Everyone knew that Islamic regimes and monarchies are a powder keg. On this background, America seemed indomitable and as such the only party worthy of entrusting money.[70]

This phenomenon has been described by Emmanuel Todd in *After the Empire*,[71] where he interprets it as a sign that American hegemony is waning, because trust for it would be now based ideology and army, not the economy. I hold, however, that ideology has always been part of the economy, while the military has been subordinated to capital already by William of Orange, as Arrighi showed. Economic hegemony has a symbiotic relation with military and the symbolic (ideological). The last type requires huge *cathexia* of symbols that define a particular hegemony, its *master signifiers*.

What follows from this is not so much that America is losing its hegemony, but at most that its hegemony is based on a different principle than China's hegemonic aspirations. To recall Eichengreen, "United States in effect had a comparative advantage in producing and exporting liquid financial assets, while China had a comparative advantage in producing and exporting manufactured goods." Additionally, the money from selling American bonds was invested in foreign companies, ultimately reinforcing its global position of dominance.[72]

* * *

Importantly, the enforced trust discussed here concerns specific notions, or *signifiers* in Lacanian terms. This emerges clearly upon recollecting Hobbes's model of trust: the kind that is gifted *nolens volens* to the sovereign imagined as Leviathan. Its very name indicates that this being lives at the border between reality and imagination. Something similar happened with the US in the 1990s. Banks like Chase Manhattan, Salomon, Lehman Brothers, and Citibank; the US military, its fleets and jets; the urban skyline marked by WTC and Sears Tower; computers and music videos as well as innumerable films talking about all this to people around the world, acted as symbols attracting desire and forming networks of *signifiers* distributing excess energy produced by billions of people.

69) Ibid., 189; emphasis added. See also Pobłocki, *Kapitalizm*, 159.

70) Eichengreen, *Globalizing Capital*, 211.

71) Žižek, *In Defense of Lost Causes,* 360–62.

72) Eichengreen, *Globalizing Capital*, 179.

When signs are universally recognized, they achieve stability. Unlike the things they point to, signs are indestructible.[73] Little wonder then that whoever wished to entrust their goods, seeking a trustee, would turn to signs. Instead of trusting neighbors, people would invest in symbols of certainty.

Indeed, trust can be invested not only in people but also in signs that refer to those aspects of humanity which are connected with lasting in time, certainty, permanence, and indestructibility.

So I propose a changed anthropology: at the turn of the millennium, the American bond issuer who sold them to Chinese or Arab policymakers, allowing them to get rid of mountains of money, was not really treated as a human being. To them, it was merely a symbol of a stable institutional order that represented "nearly eternity" in their horrified imaginations. It was a *signifier* that represented an *agent*. On the scale of phenomena we are talking about here, a scale infinitely beyond the capabilities of a single person, enforced trust can only concern signs and symbols. It is towards them that the enormous energies of excess flow. And of course, this gives them enormous value and equally great power.

* * *

However, this creates huge problems due to the emergence of what has come to be called the Triffin dilemma. A country whose currency acts as the supporting network for the entire world must keep printing more of it in order to satisfy foreign demand resulting from the rising scale of economic space. Demand for US dollar keeps it expensive, causing American products to be high-priced, unlike ones imported to US.[74] This creates a deficit in the country's balance of payment.

> Testifying before the U.S. Congress in 1960, economist Robert Triffin exposed a fundamental problem in the international monetary system. If the United States stopped running balance of payments deficits, the international community would lose its largest source of additions to reserves. The resulting shortage of liquidity could pull the world economy into a contractionary spiral, leading to instability. If U.S. deficits continued, a steady stream of dollars would continue to fuel world economic growth. However, **excessive U.S. deficits (dollar glut) would erode confidence in the value of the U.S. dollar. Without confidence in the dollar, it would no longer be accepted as the world's reserve currency.**[75]

In philosophical terms, the problem with US currency consists in the gap between representation of the scale of global exchanges and the representation of the local scale of US economy.[76] Investment of desire by people from all around the world keeps the dollar expensive, but this decreases demand for American products represented in this currency. At the same time, the dollar has created a homogenous "vibrating membrane" thanks to which goods produced by the global South flow into the North, fostering further development. Importantly,

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73) This postulate (obvious in the context of structuralism) is elucidated by Jacques Derrida in the essay "The Purveyor of Truth," 31–113.

74) For example, under the Bretton Woods System, the USA aligned its currency with gold owing to internal policies, but would also flood the market with fiduciary money, causing gold to leak from its central bank since investors would sell the currency cheaply, using it buy inexpensive gold and then selling it for profit. In order to avoid devaluation, authorities must raise bank rates and squash internal demand. See: Eichengreen, *Globalizing Capital*, 131–32.

75) Fowler, "The Dollar Glut."

76) On March 7, 2023, Jerome Powell, Federal Reserve Chairman, argued that although the rise of interest rates and the value of the dollar may be a problem for other countries, his task is to represent the US economy. See "Dollar Jumps as Powell Flags."

as Vijay Prashad pertinently observed, this process "was not autarkic, but reliant upon the debt-driven consumerism of the North."[77]

Today, institutionalized social trust is the key factor in the global balance of power. In order to operate in this world, complex, multi-layered systems are necessary. Ultimately meaning only trust in signs, or perhaps trust in the trust of others in *signifiers* representing the Other. Until recently, it was one of the elements of the global North's overwhelming power over the rest of the world. Europe, with limited military power, relied on the power that comes from its symbols, from the Mercedes, through cognacs and Bordeaux wines, to security, democracy, and the Scandinavian social model. Therefore, when the euro appeared, it could start to play the role of a symbol of trust.[78] China, on the other hand, is trying to create such a symbol by promoting the *signifier* of the "new silk route," which is supposed to concentrate the desires and trust of the Eurasian (or rather Asian-European) *ecumene*.

At the same time, however, trust remains part of the symbolic power that still allows the global North to retain a supposedly clean conscience while reaping benefits from the sum of work done by millions of workers from the global South.[79]

translated by Grzegorz Czemiel

77) Quoted in: Pobłocki, *Kapitalizm*, 161. See Prashad, *The Poorer Nations*.

78) Eichengreen, *Globalizing Capital*, 218.

79) Tłumaczenie zostało sfinansowane ze środków Ministerstwa Edukacji i Nauki stanowiących pomoc przyznaną w ramach programu „Rozwój czasopism naukowych" na podstawie umowy nr RCN/SP/0315/2021/1 z dnia 22.12.2022.
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