

Waiting for a Savior of the Markets

CITY OF GOLD: AN APOLOGY FOR GLOBAL CAPITALISM IN A TIME OF DISCONTENT. By David A. Westbrook. *Routledge*, 2004. Pp. 350. \$90.00.

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INTRODUCTION

The City of Gold depicted by David Westbrook appears in between an unprecedented wave of discontent and confusion about the role and place of capitalism and market mechanisms in our society. Do free markets—in the long run—provide adequate solutions to societal problems, or are capitalism and laissez-faire nourishing the roots of future social apocalypses, in the absence of a tempering force against the inextinguishable thirst for power and enrichment of those who dominate the markets?

Does government or legislative action distort the fragile equilibrium of nature (market activity¹) or, to the contrary, does such action improve the efficiency of market activity, which is not seen as a natural activity but as a human, all too human, construction? Does the market impose its rules, as God does, or are market rules agreed upon by market participants?

David Westbrook's essays offer a philosophical—or subtle—answer to these questions, even though he argues “that the age of the *philosophes* is past, and no longer avail-

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1. Taking for granted that market activity is part of the human nature, and is not a construction of men of any polity.

able.”² His approach is postmodern—or ironic—even though he maintains that his book “eschews standard postmodern approaches.”³ He tries to offer his readers a picture of our present polity, the way we now live, without enclosing it in any ideological scheme. This is done through the surprising—and at first sight naïve—designation of our globalized society as the “City of Gold.”⁴

The circumstances surrounding the writing of the *City of Gold* are comparable to those which surrounded Blaise Pascal at the time he wrote his *Pensées*. The *Pensées* were intended as an apology of Christianity⁵ at a time when Christian religion was the object of discontent on the part of practicing Christians and the target of mockery by most enlightened spirits. In order to deliver an effective apology, Pascal had first to clarify as objectively as possible the subject of his apology, namely, human faith.

David Westbrook’s essays are rooted in our visible society, a globalized, cosmopolitan, individualistic, consumer society. He brings us back to the level at which politics and economics should remain: they are not ends as such but rather means to help us communicate and help improve (monetary and non-monetary) exchanges amongst us. Are we to find “the meaning of life” in the political arena, or are we to accomplish our highest destiny through economic success? Neither of these proposals is seen as adequate by the author. On the other hand, the efficiency of our political and economic organization is a fact. And that is worth an apology.

The book is divided into four parts. Part one (“Desire’s Constitution”) describes the City historically (where are its foundations?) and structurally (how does it work?). Part two (“Constitutional Critique”) identifies the structural limits of

2. DAVID A. WESTBROOK, CITY OF GOLD: AN APOLOGY FOR CAPITALISM IN A TIME OF DISCONTENT 307 n.4 (2004).

3. *Id.* at 313 n.22.

4. In contrast to St. Augustine’s “City of God,” the City of Gold is materialized only by human work and action. Gold—i.e., money—is the blood of our City. In contrast to the City of God, the City of Gold is “essentially base, alienating, and inclined to a certain tyranny. Nonetheless, I maintain that the [City of Gold] may be justified, even, with reservation, admired.” *Id.* at 303. That is what the book tries to demonstrate.

5. Blaise Pascal spent all his life trying to collect his thoughts on this subject. When he died, his apology was far from being complete.

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our City and its existential poverty (alienation, inauthenticity, identity based on shopping and imitation). Part three (“Exhausted Philosophies”) turns to familiar intellectual approaches to market societies: economics, social justice, and liberalism. These approaches are considered as “exhausted,”⁶ unable to offer relief. Part four (“Toward a Metropolitan Political Economy”) tries to reconcile human yearnings for identity, authenticity and communication within the context of the City: Truth and beauty may be seen at the horizon of our society, provided we agree to limit the scope of politics and economics to what it is good for.

I. HISTORY OF THE CITY

Part one (“Desire’s Constitution”) contains the central argument of the apology, which is based on history. The first essay describes the constitutional turning point in the days following the end of World War II (“WWII”). The present times appear to have been born in the bed of the painful abominations of WWII. In the days following the war, the mandarins from all horizons who had participated in the reconstruction of the world were stunned and deeply traumatized by what men had done. World War I (“WWI”) had paved the way for WWII. Since then, humanity has been living in a brutalized environment,⁷ and the days after have to be lived with the vivid and horrendous memory of those times.⁸ After WWI, politics proclaimed “*Plus jamais ça!*” (“Never again!”), but the Versailles Treaty was a repetition of a revenge dialectics which, *inter alia*, doomed the Weimar Republic (1919-1933) to failure. After WWII, men like Harry Dexter White, George C. Marshall, Dean Acheson, Jean Monnet, and Robert Schuman, typical occidental mandarins of modern times, contributed to creating an international environment which would be the most

6. WESTBROOK, *supra* note 2, at 167.

7. See GEORGE L. MOSSE, *FALLEN SOLDIERS: RESHAPING THE MEMORY OF THE WORLD WARS* (1990).

8. The memory of the acts of men, and we are men, is still alive in our brains, and we have individually and collectively to digest what was done in those times. Therefore, we have to try to understand how men trespassed the limits of humanity in those times. See, e.g., GIORGIO AGAMBEN, *HOMO SACER: SOVEREIGN POWER AND BARE LIFE* (Daniel Heller-Roazen trans., Stanford Univ. Press 1998) (1995); Emmanuel Levinas, *Reflections on the Philosophy of Hitlerism*, 17 *CRITICAL INQUIRY* 63 (Seán Hand trans., 1990) (1934).

improbable place of birth of a new insane wave of violence amongst nations, against men. Their achievement is particularly impressive within Europe, a continent where, for centuries, violence had generated mutual impoverishment of nations. Bretton Woods was the first achievement of this aim on a global level.⁹

The new international environment was founded on economic integration; “economics came to be seen, not as opposed or ancillary to politics, but as a constitutional mechanism in its own right.”¹⁰ It is a constitution based on the substitution of “political enthusiasm by economic engagement”¹¹ Surprisingly enough, the most striking examples of economic engagement leading to economic miracle are embodied by the defeated nations of WWII, Japan and Germany,¹² even though, at the turn of the century, the enchantment has somehow vanished.

The constitution of the City of Gold matured during the Cold War (1945-1991). The fall of the Berlin Wall is the symbolic consecration of the success of market capitalism against collectivism. From that period on, the prominent role of market mechanisms in our society was no longer in doubt; it had to be taken for granted, even though it remained problematic.

For continental European thinkers especially, this implies an unprecedented “constitutional turn.” The republican values fostered by Montesquieu and Rousseau were to be toned down. Even though those values lay at the foundation of our democratic regimes, they remain thirsty for might and dominion, they embody the risk of further slaughters for the sake of a republic. One has to think beyond the Hobbesian Leviathan to bring an “enduring peace” to the world.

9. The author only mentions the United Nations. This may be explained by the fact that he concentrates his essays on the political acceptance of the prominent role of market mechanisms in our societies. The United Nations is, in this respect, a rather classical answer to diplomatic and moral concerns.

10. WESTBROOK, *supra* note 2, at 25.

11. *Id.* at 29.

12. On the strange, ominous silence of German people around the hundreds of thousands of civil casualties as a result of the intense bombing of their cities by the allies, see WIENFRIED G. SEBALD, *ON THE NATURAL HISTORY OF DESTRUCTION* (Anthea Bell trans., Random House 2003) (1999).

Montesquieu viewed the equilibrium of a polity in the separation of powers. The legislative, the executive, and the judicial branch of a sovereign state should be established as relatively autonomous powers contributing, through the tensions between them, to leave to the citizens an optimal level of freedom. The new order instituted in the City of Gold puts the markets in front of this triad. The markets have to be recognized as a significant component of our polity. The agora is faced with the market place, and is even often replaced by it.

Before criticizing the overwhelming power of markets over our polity, the other essays of the first part describe the matrix of the City of Gold. Money is the principal means of communication in the City:¹³ Through price mechanisms, public choices are made. Financial markets add a crucial time dimension to the City: When you buy a financial asset, you pay it according to future earnings.¹⁴ This matrix generates an antithesis of a community. Money is the correlate of private property.¹⁵ The latter is fundamentally the right to exclude others,¹⁶ which leads us to conclude that the

13. Insofar as money also represents an investment, a commitment, it implies a certain degree of faith. This essential fact is mentioned *en passant* by the author. See WESTBROOK, *supra* note 2, at 49.

14. In fact, most of the time, you buy *hopes* of future earnings on the basis of *beliefs* that are more or less grounded on a rational analysis of the information gathered. The markets create a collective approximation of values, i.e. a collective set of beliefs. See WESTBROOK, *supra* note 2, at 71. On the idea that collective beliefs in the market place are conventions, tacit mutual—mimetic—agreements, see ANDRÉ ORLÉAN, *LE POUVOIR DE LA FINANCE* (1999). Orléan develops a controversial thesis on the mimetic—self-referential—feature of financial markets originally worked out by John Maynard Keynes. See JOHN MAYNARD KEYNES, *Book IV: The Inducement to Invest*, in *THE GENERAL THEORY OF EMPLOYMENT, INTEREST AND MONEY* 152-58 (1936).

15. With money, you acquire property. Selling properties gives you access to money.

16. Even Christian religion considers that private property is a natural right. See *Rerum Novarum*, Encyclical of Pope Leo XIII (May 15, 1891), available at http://www.vatican.va/holy_father/leo_xiii/encyclicals/documents/hf_l-xiii_enc_15051891_rerum-novarum_en.html. See also *Centesimus Annus*, Encyclical of John Paul II (May 1, 1991), available at http://www.vatican.va/holy_father/john_paul_ii/encyclicals/documents/hf_jp-ii_enc_01051991_centesimus-annus_en.html.

The famous *Mit Brennender Sorge*, Encyclical of Pope Pius XI (March 14, 1937), available at http://www.vatican.va/holy_father/pius_xi/encyclicals/documents/hf_p-xi_enc_14031937_mit-brennender-sorge_en.html, and *Divini Redemptoris*, Encyclical of Pope Pius XI (March 19, 1937), available at http://www.vatican.va/holy_father/pius_xi/encyclicals/documents/hf_p-xi_enc_19031937_divini-redemptoris_en.html, which take a strong position against Nazism and

City's inhabitants exclude each other. The author agrees with Marx that in modern times, human relations have, to a large extent, turned into property relationships. This evolution makes them lose their sense of connection with one another. One step beyond in the Marxist analysis is to see people as mere commodities. Marx considered—in a rather romantic stance—that such a situation would, through the dialectic process of history, generate upheavals and revolution. This perspective is now largely discredited, refrained, and academically rejected.

In the City, “not sharing is the point of politics[;]” the City “is founded on envy.”¹⁷ “Scarcity is created by, and intrinsic to, market societies The City creates scarcity by making desire, appetites, politically central.”¹⁸ A consequence of all this is that “the idea of equality cannot be taken seriously from within the ethos of the City[,]”¹⁹ and that the City is incapable of articulating a public thing, a *res publica*. The City is an arrangement of competing individualists, a constellation of egos. The City's inhabitants are neither citizens of a nation, nor citizens of the world. This is the unpleasant conclusion to Part one. On the one hand, the concept of “nation state” is obsolete. On the other hand, our City's foundations are impoverished.

II. THE INDIVIDUAL IN THE CITY

Part two (“Constitutional Critique”) of the book gathers critical essays on the position of the individual in the City. The City generates alienation. In the absence of community, human interactions are reduced to market relations, without any collective meaning (other than individual or collective enrichment in monetary terms, which is nonsensical *per se*). The City generates inauthenticity, artificial relations managed by appearances, and fallacies. The

Communism respectively, are striking examples of the contemporaneous engagement of the Catholic Church on social questions, especially the question of the legitimacy of private property. The right to exclude is part and parcel of the concept of private property. How this can be reconciled with the Christian message of charity is another story. See, e.g., PAUL RICOEUR, *LIEBE UND GERECHTIGKEIT/AMOUR ET JUSTICE* (1990).

17. WESTBROOK, *supra* note 2, at 88.

18. *Id.* at 89-90.

19. *Id.* at 89.

inhabitants of the City are mercenaries: they act according to the return offered by their performance in the market. "In elevating monetary relations to constitutional principle . . . the City of Gold has abjured the possibility of a political life in truth."²⁰ The City of Gold recognizes that most of our references, most of our common understandings are in fact pure conventions, with a significant portion of arbitrariness. The identity in the City is rooted in (1) the experience of being a consumer; and (2) confidence in the (financial) future.

Any meaning as a romantic or existential imperative is absent from the City. The inhabitants of the City of Gold turn to private life as a way to construct meaning.²¹ This turn to private life is a form of exile. Exile is structural to the City of Gold, bringing us back to the idea that the City of Gold is the antithesis of any community. In the City of Gold, we live together in exile from one another. Togetherness may be met, but outside the City of Gold.

The conclusion of Part two is that the City is unworthy of allegiance. The City is unworthy to be called home.²² But it works.

III. INTELLECTUAL APPROACHES OF THE MARKET

Part three ("Exhausted Philosophies") turns back to familiar intellectual approaches of the ideology of the market place: the scientific approach (economics), the social approach (economic justice), and the political approach (market economy seen as the consecration of liberalism).

Economics as a nearly exact science is a recent phenomenon. Adam Smith's *Inquiry into the Nature and Causes of the Wealth of Nations* was a political and philosophical essay by a professor of moral philosophy. It is with economists like David Ricardo and Léon Walras that economic thinking incorporated mathematics to help circumvent complex economic phenomena. With the twentieth century, mathematical models began to invade the debate of ideas. This evolution is in line with the general move-

20. *Id.* at 143.

21. *Id.* at 161.

22. *Id.* at 167.

ment of sciences throughout the nineteenth and twentieth centuries, which, to a large extent, completed the process of disqualifying religious beliefs. This movement was encouraged by the rising faith in the almightiness of science and progress. Truth is not revealed by contemplation or prophetic messages. Truth is to be found by way of purely human investigation under the control of reason. The venerable monks directed by abbots who flourished during the Middle Ages are replaced by civil servants directed by technocrats. Both have this talent to be silent, formally educated, conditioned, and predictable. Their self vanishes beyond the almightiness of the structure they serve. In that sense, there is continuity in the historical process, even though it happens through some bloody hiccups. The mathematization of economics offers the most striking example of an attempt to objectify human action. This appears as a secularized Quest for the Holy Grail, with the Grail being the hypothetical final truth about market mechanisms which are investigated as thoroughly as possible in the psyche of market participants.

Implicitly, this attitude in economics takes for granted that market mechanisms will, at the end of the day, be self-sufficient, that there is nothing outside the markets that can exercise a constructive influence on them, and that markets can be analyzed in isolation from any expression of sentiments, from concerns about environment, inequalities, etc. Anything which exercises an influence on the attitude of market participants may be integrated into economics in the form of transaction costs or externalities. The extraordinary development of behavioral economics demonstrates that the ambition of economics is to capture all the aspects of the agents of the market.²³ Is this ambition not comparable to the “hubris” and immoderation pointed out by Aristotle as being one of the weaknesses of human spirit?

David Westbrook rightly points out that disappointment will come about as a result not only of economists’ hubris, but also their inability to see that monetary mechanisms are a kind of language, and that as such, they represent—rather than embody—realities. Westbrook suggests that an alternative economics should give greater

23. See *id.* at 330-31 n.5 (discussing the econometrical models developed on the basis of ideas conceived by Amos Tversky and Daniel Kahneman).

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consideration to the fact that there is a significant “difference between the world as it is traded and the world as it is,”²⁴ suggesting the same distance as between truth and the shadows seen in Plato’s cavern.²⁵ Such an alternative approach of economics is undoubtedly reassuring. It would pay greater attention to the inner limits of markets. It comes close to the idea of humility and modesty needed in any attempt to control human action.

There *is* something outside the market, something that cannot be captured by the market matrix without severely reducing or even destroying it. Feelings, affection, and emotions exist outside the market. They are present in the market as an element which disturbs the rationality of agents. Marketing people try to control consumers’ behavior, to organize their attitude towards mass productions. Aesthetics is an attitude in between, which helps to avoid being infuriated by the constant manipulation, through marketing, of our feelings, affection and emotions, with a view to making money. Aesthetics help to keep a distance vis-à-vis oneself and others, to manage our interaction in the City. Aesthetics helps us to tolerate the fact that economics treats people as objects.

David Westbrook considers that the concept of “Economic Justice” is a classification mistake. Is it not in fact a semantic mistake, a *contradictio in terminis*? Economy is the domain of production, circulation, and consumption of goods or services. It has little to do with Justice. Adam Smith noted in his *An Inquiry into the Nature and Causes of the Wealth of Nations* that, as a matter of fact, “it is not from the benevolence of the butcher, the brewer, or the baker, that we expect our dinner, but from their regard to their own interest. We address ourselves, not to their humanity but to their self-love, and never talk to them of our own necessities but of their advantages.”²⁶ “[Every individual] intends only his own security; . . . only his own gain, and he is in this . . . led by an invisible hand to promote an end which was no part of his intention. By pursu-

24. *Id.* at 180.

25. Plato located the cavern in the world of Ideas, but that’s another story. David Westbrook seems to be anything but an idealist.

26. ADAM SMITH, *AN INQUIRY INTO THE NATURE AND CAUSES OF THE WEALTH OF NATIONS* 18 (Edwin Cannan ed., Univ. of Chicago Press 1976) (1776).

ing his own interest he frequently promotes that of society more effectually than when he really intends to promote it. I have never known much good done by those who affected to trade for the public good."²⁷ If we accept that analysis, economic behavior is amoral.

Meanwhile, Adam Smith was a professor of Moral Philosophy. His first treaty was *The Theory of Moral Sentiments*, which occupied almost all his academic life and where sympathy is seen as the mother of all virtues and the possibility for a moral society. The first edition dates from 1759, the sixth edition from 1790. Adam Smith published the first edition of *An Inquiry into the Nature and Causes of the Wealth of Nations* in 1773 and the third and last edition in 1783. He fundamentally disliked the inner tendency of a purely economic behavior which consists not only in the expression of self-interest, but also in greed and envy.²⁸ The apparent contradiction of Adam Smith between his economic theory and his moral theory has never conclusively been solved. *An Inquiry into the Nature and Causes of the Wealth of Nations* concludes that free markets governed by selfishness are fundamentally in the interest of society, though they tend to go from being amoral to being immoral unless a tight rein is kept on the human tendency toward exaggeration, immodesty and greed. The idea that a market place governed by self-love is the most efficient market place is self-evident. But efficiency does not mean justice. Justice is concerned with respect for each other. Efficiency is concerned with the wealth of society. Justice is not an economic reasoning, it is a social reasoning.

The brilliant theory of Justice elaborated by John Rawls offers a good example of the liberal attempt to combine justice and market attitudes. The famous "veil of ignorance" behind which each individual would naturally and rationally choose a just, egalitarian society, remains centered on the individual quest for personal interest maximization. The Rawlsian proposal is impeccably fair, but fundamentally impersonal. In this latter respect, it

27. *Id.* at 477-78.

28. See ADAM SMITH, *THE THEORY OF MORAL SENTIMENTS* 61-66 (D.D. Raphael & A.L. Macfie eds., Oxford Univ. Press 1976) (1759) (This chapter, added by Adam Smith in his last edition, rails against the general incapacity of men to act with frugality and to abstain from running after enrichment at all cost.).

meets Milton Friedman's analysis about free and impersonal markets: "The price system is the mechanism that performs this task [i.e., coordinating market activity] without central direction, without requiring people to speak to one another or to like one another."²⁹ Liberalism "counsels the thinker to avoid actually thinking through politics."³⁰ Liberalism maximizes privacy and institutionalizes a fundamentally atomistic, lonely society. Any communal sense of meaning is dissolved into a downpour of individual rights.³¹ As the author points out, curiously enough, "liberalism currently seems as theoretically bankrupt as it is ideologically successful."³² It is another game in the City, a game of fair procedures, but incapable of providing to the City the moral codes without which it could not function.³³

This being said, to quote Winston Churchill, "democracy is the worst form of Government except all those other forms that have been tried from time to time."³⁴ In the City of Gold, there is in fact a manifest lack of democratic accountability. The Bretton Woods institutions and the European institutions are full of bureaucrats who take part in the City's management decisions. The "European Constitution" is an interesting move on the part of the institution to reintegrate the democratic process. The recent attempt by the World Trade Organization and the International Monetary Fund to better communicate with the public, to be more "transparent," is another turn to democratic processes.

Democracy and market capitalism have some common principles which, to a certain extent, make them complementary.³⁵ Both are based on the free expression of opinions or desires. Both are based on competition. It is a fact that the actual result of both processes is, to a large extent, a poor approximation of the ideal markets or the ideal City.

29. MILTON & ROSE FRIEDMAN, *FREE TO CHOOSE* 13 (1980).

30. WESTBROOK *supra* note 2, at 219.

31. The expression is from the French law professor Jean Carbonnier. See JEAN CARBONNIER, *DROIT ET PASSION DU DROIT SOUS LA V^e RÉPUBLIQUE* 121 (1996).

32. WESTBROOK, *supra* note 2, at 215.

33. See *id.* at 221.

34. *Id.* at 310 n.26 (quoting Winston S. Churchill, Speech at the House of Commons (Nov. 11, 1947)).

35. See JEAN-PAUL FITOUSSI, *LA DÉMOCRATIE ET LE MARCHÉ* 45-70 (2004).

In the political arena, hypocrisy and manipulation have a significant place,³⁶ not to speak of the inherent arbitrariness of the polls, as the 2000 U.S. presidential elections and the 2002 French presidential elections demonstrated.³⁷ Comparably, on the market place, imperfections are legion: Information is difficult to capture, parties are unequal, and competition is often a sham. But . . . it works. Markets and democracy are not ends, they are means to such ends as may individually and socially be chosen.

IV. BACK TO HUMANITY

In Part four of his essays (“Toward a Metropolitan Political Economy”), David Westbrook relaxes the assumption that the logic of markets completely determines life in the City, and attempts to discern the possibility of such political thinking amongst the inhabitants of the City as would recognize itself as weak and fragile.³⁸ He tackles three questions: (1) which truths can we share in the markets; (2) which social order can be instituted in a market society; and (3) are sympathy and imagination possible or are they vain concepts?

The first question initially seems to receive a rather classical answer. There is no absolute truth, especially in the financial world, which perpetually actualizes future opportunities for earnings. Information about these opportunities, which enables one to manage financial risk and to better capture the best investments, is crucial. Publicly

36. See Philippe Van Parijs, *The Spotlight and the Microphone: Must business be socially responsible, and can it?*, Fabrica Ethica Conference, at <http://www.etes.ucl.ac.be/Publications/dochs.htm> (last visited Oct. 6, 2004) (citing Jon Elster, *The Market and the Forum*, in FOUNDATIONS OF SOCIAL CHOICE THEORY (Jon Elster & Aanund Hylland eds., 1986)).

37. See JEAN-PIERRE DUPUY, AVIONS-NOUS OUBLIE LE MAL? PENSER LA POLITIQUE APRES LE 11 SEPTEMBRE 114 n.2 (2002) (citing JOSEPH A. SCHUMPETER, CAPITALISME, SOCIALISME ET DÉMOCRATIE (1998)). See also *id.* at 116-20 (discussing KENNETH J. ARROW, SOCIAL CHOICE AND INDIVIDUAL VALUES (1951) (a classic proof of the inexistence of a perfect election system, a proof which finds its roots in the analysis of the electoral process by the French mathematician and politician Condorcet)).

38. This is a typical postmodern stance. See generally GIANNI VATTIMO, LA FINE DE LA MODERNITÀ: NIHILISMO ED ERMENEUTICA NELLA CULTURA POST-MODERNA (1985) (proposing the concept of “*pensiero debole*,” a process in which the author recognizes from the outset that thinking is fragile, because a thought never captures the whole of the reality—it is always partial, even partisan).

traded companies should inform the general public at the same time as they inform their “friends and families” of events which can influence the stock price of the share; they should not trade on these shares when holding sensitive information which has not yet been disclosed to the public at large. Equality of information, and “fair dealing,” are acts of faith supported by securities regulators. As stated by David Westbrook, this act of faith is also an effort of imagination.³⁹ Left to themselves, financial markets tend to become clubs whose brilliance helps feed them with the money of envious individual investors.

The author considers that the requirement for equality of information, the use of “plain English,” and the profusion of information disclosed in prospectuses, create collective fictions or myths of an orderly market.⁴⁰ We can be satisfied with that situation, even though it has not allowed us, and never will allow us, to definitively avoid “irrational (financial) exuberance”⁴¹ or “infectious greed.”⁴² Since the tulip mania in the Netherlands in the seventeenth century, financial exuberance, a typical weakness of market capitalism, has periodically inflamed the spirit and activity of ordinary people, who were suddenly convinced that they had discovered the source of easy and infinite opulence.⁴³ The tech-mania of the late twentieth century, which suddenly collapsed in March 2000, prospered amongst imaginative depictions of a new economic era. It was only the

39. WESTBROOK, *supra* note 2, at 247, 288. The exercise of (social) imagination is vital for the institution, preservation and evolution of social institutions. *See generally* CORNELIUS CASTORIADIS, *THE IMAGINARY INSTITUTION OF SOCIETY* (Kathleen Blamey trans., Polity Press 1998) (1975).

40. WESTBROOK, *supra* note 2, at 240.

41. ALAN GREENSPAN, Remarks at the Annual Dinner and Francis Boyer Lecture of The American Enterprise Institute for Public Policy Research (Dec. 5, 1996), *available at* <http://www.federalreserve.gov/boarddocs/speeches/19961205.htm>.

42. Conduct of Monetary Policy: Hearing Before the House Committee on Financial Services, 107th Cong. 58 (2002) (statement of Alan Greenspan, Chairman, Federal Reserve Board).

43. *See generally* JOHN KENNETH GALBRAITH, *A SHORT HISTORY OF FINANCIAL EUPHORIA* (1990); *see also* FERNAND BRAUDEL, *AFTERTHOUGHTS ON MATERIAL CIVILIZATION AND CAPITALISM* (Patricia M. Ranum trans., 1977) (exploring financial capitalism in a historical perspective); ERIC DE KEULENEER, *L'AUTONOMIE BIEN CONTRÔLÉE: LA BELGIQUE EST-ELLE CAPABLE D'AVOIR DES CENTRES DE DÉCISION AUTONOMES?* (1997) (exploring financial capitalism and corporate governance in Belgium).

latest bubble in our City. If we approach this as an aesthetic—i.e., something which can be admired from some distance and with a certain irony—perhaps we will regain some hope that we have not devised all these market-governing rules in vain. Still, the author irreverently adds that “[f]inancial regulation . . . will continue to produce a wealth of hilarious incongruities,”⁴⁴ even though some of those who have burned their wings in these manias have left their souls at the end of the game.⁴⁵ Political order in a society constructed by markets is destined to resemble a tragicomedy.

In order to be efficient and generate wealth, the comedy—the interplay in market societies—is governed by rules worked out by a regulator, be it the legislator, an independent agency, or a self regulatory organization. The comedy—the markets—is an all too human construction.⁴⁶ Strangely enough, the rules seem to be part of the scenery; they do not provide rest, they do not provide perfect justice or perfect efficiency. Even the central bank, whose independence vis-à-vis the government is a central piece of our polity, is but a tempering body, not a savior. There is no savior in the City of Gold. We will never get rid of the risk of a systemic failure of financial markets and of a collapse of the world economy.

In the last essay, the author turns to the inevitable moral concerns of the inhabitants of the City. Markets are amoral, as are automobiles, pencils, and violins. They are things, they are means. The inhabitants of the City put these things in motion, and they travel and communicate

44. WESTBROOK, *supra* note 2, at 253.

45. In France, Pierre Bérégovoy, who had been Prime Minister and a close friend of President François Mitterrand, committed suicide in 1993 after he was suspected of insider trading and subsequently lost the elections. In the Enron collapse, Vice Chairman Clifford Baxter committed suicide after the Enron house of cards collapsed. The French sociologist Emile Durkheim notices that during a financial crisis, the number of what he terms “anomic suicides” substantially increases. See EMILE DURKHEIM, *SUICIDE: A STUDY IN SOCIOLOGY* 241-76 (John A. Spaulding & George Simpson trans., The Free Press 1951) (1897). David Westbrook suggests in his book that the City of Gold may be anomic—i.e. lawless—lacking in shared social or ethical standards. WESTBROOK, *supra* note 2, at 140, 287, 296. See also *id.* at 100 (where Westbrook suggests, *a contrario*, that “the fusion of individual anomie into a collective . . . emotional body” may have generated the “Nuremberg rallies” in the Nazi regime). Society presupposes a “*nomos*,” or a set of collective rules and tacit agreements.

46. *Id.* at 265.

thanks to those things. To use the illuminating words of Hannah Arendt, interest for those things is what keeps men together. “To live together in the world means essentially that a world of things is between those who have it in common, as a table is located between those who sit around it; the world, like every in-between, relates and separates men at the same time.”⁴⁷ The public realm, where our interest is situated, “gathers us together and yet prevents our falling over each other, so to speak.”⁴⁸

Far beyond the one-dimensional concept of externalities, markets imply communication among men of something that can work as glue, something which, even temporarily, allows men to keep in touch, to exchange ideas and things. Trust is the glue which makes it possible for men not to live in a completely atomized world, where any contact would only be an attack, a clash. Trust is a sentiment, an attitude which helps us enter a relation with one another without violence, by abandoning something to the other, some grasp on ourselves. The sentiment which allows trust to well up is sympathy, as developed in the last pages of the essay. But the author does not explain what he puts into that concept. As reminded above, sympathy is the central concept of Adam Smith’s *The Theory of Moral Sentiments*. This takes us back to the origin of our economic philosophy. The author definitely remains on his skeptic stance: “Sympathy is hardly a complete cure for the distance at which we must conduct politics”⁴⁹ Floods of emotions and enthusiastic parades around the flag remain the most dangerous tendency of our societies. The City of Gold should have banished public expression of these sentiments—other than for a commercial purpose, or, better, through aesthetics. Sentiments are part of the private life. Public life, the life in the City, must be kept distant, cold and calculative in order on the one hand to be efficient, and on the other hand to remain peaceful.

47. HANNAH ARENDT, *THE HUMAN CONDITION* 52 (2d ed. 1958).

48. *Id.*

49. WESTBROOK, *supra* note 2, at 287.

CONCLUSION

The whole book is a powerful demonstration of the limits within which global capitalism may be seen as an effective and efficient way of organizing economic interaction in our cosmopolitan society. A rigorous distance is kept vis-à-vis all ideologies which offer the intellectual comfort of a complete solution for humanity, either through a rational reduction of social mechanisms, or through an emotional rejection of the lightness of being, of the incompleteness of any human construction. The City of Gold is neither the City of God, nor the City of Pigs. There is some hope that our City will survive for a number of generations before it is replaced or abolished. If we accept the limits of the City, we may even work towards justice, solidarity and beauty, provided we do not nurture hopes of making the City itself just, egalitarian, or beautiful (except for the beauty of comedy).