



# WHAT IF MONEY MISFIRES?

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## FRANCO 'BIFO' BERARDI

### DEPRESSION IN THE HEART

Forecasts about the future of the economy sound scarcely reliable today. The central banks are injecting huge amounts of money to revive demand, downsized by lockdowns and pandemic anxiety, but it is far from certain that the success story of the Roosevelt New Deal will be reenacted.

In the maps of financial futurology something crucial is missing: the evolution of social subjectivity, which is something that escapes the economist's understanding. Central banks are investing billions, thousands of billions. Will it be enough to revive social welfare? It depends on the effectiveness of the monetary enunciation.

According to Robert J. Sordello, "Money makes things happen. It is the source of action in the world." And according to Christian Marazzi, the accumulation of capital is more and more an effect of language. In fact, the production of physical things is more and more replaced by the exchange of information, in the contemporary sphere of semiocapitalism. Furthermore, financialization implies that injunctions, conjectures, predictions, and similar acts of language are shaping the cycle of accumulation.

We assume that language and money have something in common: even if they are nothing, they move everything. This is the lesson we have learned during the past modern age, when language and money used to be powerful tools for mobilization, and money was surrounded by an aura of omnipotence.

Social forces were expecting those stimulations before acting: they expected the rhetorical stimulation of a promise of prosperity and of expansion, and the monetary stimulation of salary, the retribution that gives a meaning to the meaningless act of working.

We should not underestimate a second similarity between language and money: they are both tools for comparing, measuring, and controlling the surrounding world. Now I'm wondering if we can expect that money and politics will still work in the present situation.

The performativity (practical effectiveness) of an act of language does not depend only on the will of the agent of enunciation. It also depends on the ability of the receiver to decode the message and to act in a consistent way. If, suppose, the receiver is deaf, incapacitated, or dead, the message won't get the desired results.



\$\$\$BIT\$\$\$ (still) ~ Marina Heintze

Economists think that the accumulation cycle is determined only by economic factors, despite the suggestions of Daniel Kahneman, who is not an economist but a psychologist who won a Nobel Prize in Economics for the investigation on the psychological basis of economic decisions.

In the '20s of the past century, social subjectivity was recovering from traumas more serious than those that we are now going through: the First World War and the so-called Spanish pandemic that killed fifty million people.

Nevertheless in the Western countries, fresh from winning the world conflict, society reacted positively to the injections of money proceeding from the central banks, and also from the German war reparations, from the development of new technologies, and from the military investments.

It's true that the Roaring Twenties prepared the way for the '29 crash and the following Depression. However, in the meantime the capitalist engine was restarted, and for decades the global economy went on expanding. The average Western population was young, and

despite war tragedies, the ideological prospects helped to mobilize social energies in the opposite directions of communism, toward fascism and liberal democracy.

Neither the demographic landscape nor the ideological prospects are similar today: the Western population is old and mentally exhausted, and political promises have disappointed those who have trusted the ideals of democracy.

Depression is deep in the heart, even if the economists know little about the ethereal oscillations of the human unconscious.

In this condition money may be losing its strength, and simultaneously language may be losing its persuasiveness. The social organism, once mobilized by the craving to have more goods, more power, more sex, is losing energy and mutating in a way that will hardly be reconciled with the acquisitive regime of desire. Furthermore, something strange is happening to the act of measuring, counting, and exchanging as this act presupposes the measurability of things and the controllability of processes.

## END OF MEASURE

Modern humanism was based on the Protagoras principle:

“Of all things the measure is man:  
of those that are, that they are  
and of those that are not, that they are not.”

Humanism transformed this principle into a methodology for action. Reason (*Ratio*) means measure in Latin, and there is no possibility of governing society if you cannot reduce social relations to measurability standards.

According to the Protagoras principle politics was the art of consciously governing things and events which unfold in historical time.

Well, it seems that in the post-modern century the Protagoras principle does not work anymore; we have exited the sphere of measurability.

Let's consider the kind of phenomena that we are facing right now: not the force of human actors, not the methodology of political decisions, but the proliferation of sub-visible agents (nuclear radiations, pandemic viruses) that cannot be reduced to exhaustive knowledge, and the spread of natural events (climate change and ensuing catastrophes). These phenomena are triggering irreversible dynamics over which political will has no grasp.

The tools of political reason are irrelevant at this level of sub-visible smallness and of super-visible greatness. So, squabbling about different forms of governability is no use, because

will and political decision cannot change the evolutionary drives that have been unleashed by the accelerated expansion of production, consumption, and destruction.

At this point the rationality of political action has grown so impotent that madness, falsehood, and dementia are presiding over the political landscape: it does not matter anymore if the bus driver is sober or drunk when the bus has already veered off the highway and is plummeting down a five-hundred-meter ravine. Before crashing out of the highway it would have been better if the bus driver hadn't been drunk, but as we are now in free fall, the sobriety of the driver is no longer important.

Excessively small and extraordinarily large actors have invaded Protagoras's laboratory, and the laboratory has exploded. The tools and methodologies of politics are useless at this point, as our will is unable to get a reversal of these phenomena, which tend to feed on themselves and to become irreversible.

Voluntary action seems only to amplify the processes of devastation: in fact the probability of a war approaches when politics is impotent and the environment goes out of control. The psychotic reaction to impotence of will is nationalism: as the coasts are invaded by sea and forests burned by fire, masses of destitute people are nomadically migrating from one territory to another. Subsequently, territorialized people defend their territory where fire has not yet arrived.

Panic is the form that will takes when experiencing impotence: the final stampede.

## THE ETHEREAL FORCE OF MONEY

The game of finance is based on semiotic simulation, and it's impossible to understand its rules, because these rules are continuously changing. They are not natural rules, but rather the effect of a never ending negotiation: a linguistic projection that is based on force.

Power can be defined as the imposition of rules of (linguistic) exchange. As I said already, money and language are both nothing, nevertheless they move everything. Money is a sign without meaning whose potency is based only on a linguistic act, one imposed by the force of the agent of enunciation.

The volatility of financial markets should not be attributed to the discrepancy between the monetary-financial economy and the "real economy" (material goods produced and exchanged), but should be attributed to the indeterminacy of the mental oscillations that preside over social and economic behavior.

The distinction between the real and monetary economy dissolved in 1971 when Nixon cancelled the convertibility of the American dollar, thereby breaking the link between monetary markets and the “real” market, and establishing a new order of so-called reality.

Nixon’s act abruptly disclosed the semiotic nature of money, paving the way to the free floating relation between sign and signified. After 1971, the financial market ceased to be a representation of the “real” economy, or a monetary support for the needs of the “real” investors. The stock exchange turned into a factory that creates money from nothing, and exchanges nothing for nothing, while generating real effects in the social distribution of wealth. The very concept of “reality” at that point became frail and uncertain and the relation between signifier and signified began to float.

The 2008 financial crash was the effect of an accumulation of acts of monetary simulation—derivatives, credit default swaps, and, on a larger scale, deficits and debt. All of a sudden the simulated construction crumbled and society was forced to pay the bill: impoverishment, precarity of labor, privatization of public services, and so on.

Debt was and is the linguistic device that forces humans to submit their life to exploitation.

What is the deciding factor in a regime of floating values? Who decides the price of an asset? Who decides the meaning of an enunciation when the relation between signifier and signified is aleatory? The answer is: force. Since the fixed regime of exchangeability between signifier and signified was canceled and replaced by a regime of floating attribution of meaning, the rationale of the financial market (and of the market in general) has been violence: the violent assertion of supremacy.

But now it seems that both language and money have lost much of their potency and effectiveness.

Think to the radioactive particles that the Fukushima explosion has unleashed, which are spreading all over in the planetary atmosphere. Money and language can do nothing, or very little, because those particles will not disappear for millions of years. Think to the fires that are burning the forests of the Pacific Coast and of Siberia. Money and language can do very little or nothing, because the air has gotten drier, so next year fires will burn a larger area.

The ethereal force of money can do nothing against the material force of unchained Nature.

## WHAT NEXT?

The pandemic reveals that we cannot always buy with money what we need, and what we can buy is scarcely useful. The economists say that the demand will rise when the pandemic is over. Maybe.

I think that this expectation is ill founded because it does not take into account the emerging mutation.

Since Nixon declared the end of the fixed system of exchange and replaced it with a floating regime of monetary exchange, the financial sphere has grown more and more independent from the sphere of production, distribution, and consumption.

Once a tool for productive investment, finance has turned into a purely speculative space for plundering social resources, and this fosters a paradoxical redistribution of wealth from those who have little to those who have more and more.

Now, in the second pandemic year, we see that workers are being fired, regular jobs are disappearing, wages are decreasing, and precarious labor is turning into slavery. However, the financial markets are euphorically exuberant.

The divergence between money and life gets larger and larger because language and money are less and less able to mobilize useful energies, less and less able to govern chaotic processes, less and less able to provide what we need.

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