Discourses in the Turbulence of Global Finance

By Dr. Don Marshall

- This article seeks to discuss the social constitution of finance in terms that question its authority, its masculine and scientist posture, and Anglo-American positioning at the top of a non-inclusive global hierarchy of financial governance institutions. In many ways this article represents a sustained quarrel with the project of imperialism.

- We learn of the battles for legitimacy and respectability among creditors and speculators in early modern finance. The financial sphere, like the economic system, had to be presented as one of smooth and neutral functioning. Through the assumptions of science as objective, rational and secure, accounting, auditing, financial trading and credit-rating came to be accorded as articulations of financial truth – co-equal in terms to notions of `economic truth'.

- Financial authority has since posed as masculine, its identity forged out of traditional, stereotypical/hegemonic forms of masculinity, that is, the stabilised, self-disciplined, disinterested gentleman capable of mitigating risk.

- Beynon (2002) adds that financial men gained male ascendancy following the demise of many heavy industries (for example, coal mining) and the advent of post-Fordist changes in the composition and technical skills requirement of the labour force. Power, as it were, shifted from the male camaraderie, physical strength and trade union solidarity of the Keynesian era to mastery in the world of free market economic policies, computer processes and financial engineering.

- While in the 18th century no conceptual distinction existed between gambling and financial practices, the concept of risk provided the possibility of a demarcation line between gambling and finance. Risks were identified as natural but humanly calculable thus providing the political and moral legitimacy for the creation of a range of financial instruments, including futures and other speculative contracts.

- Shapin (1994) has emphasised the connections between credit and truth at the birth of modern science. Scientific truth, Shapin states, was generated in a social network which recognised the 17th century gentleman as truth-teller *par excellence*, in contrast to women, enslaved peoples and servants. Shapin's concept of `gentlemanly science' shows how objective truth was linked to social credibility, and it is in this context that we can understand the etymology of credit: "[b]y the late sixteenth century `credit' described both honesty and solvency; wealth and virtue were joined' (ibid. p.93). Thus, the historical notion of credit carries not only a class dimension, but a gendered dimension as well: the reputation and authority that underlies credibility distinctly belong to the **gentleman** – the only recognised autonomous subject.

- The deployment of prevailing gender imagery for the understanding of credit was intended to introduce finance as phenomenon capable of perfect understanding much like what was promised by those seeking to explain Nature. For instance, Frances Bacon constructed `Nature' as a female which had to be subdued and mastered by the male scientific mind. As Evelyn Fox Keller (1985) would argue, Bacon's projection of nature as a female to be mastered and controlled underlies modern conceptions of science and scientific facts.

- This stock explanation has produced concerns about “the irrational exuberance of the market” and raised the question: what regulation will oversee international finance? Since financial engineering is portrayed as heroic masculine enterprise, it is not surprising to learn that within the discourse of blame, men and masculinities take centre stage.
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- A tsunami of cash was available through the money markets. They sat in New York and London bragging that they could turn bad risks to good; that they could make dodgy loans work. It was just a bunch of young men full of testosterone (Channel 4 Feature, “Crash - How the Banks went Bust”, 2009).

- Rather than a critique of the intrinsic practice of recycling private capital through stock markets, or a critique leveled at the centres of calculation, a discourse of delusion persists. This preserves the naturalisation of financial markets as essentially irrational and bedazzling and in need of regulation and mastery.

- The tumult of Wall Street occasioned public outrage against the activities of hedge funds, investment banks and derivative trading. Western elite actors bemoan the activities of offshore financial centres (OFCs) emanating from the global South arguing that these too posed threats – temptations to be resisted - to the stability of the international financial system.

- The British Prime Minister, Gordon Brown, in an address to US Congressmen in Washington on 4 March 2009 similarly opined: “How much safer would everybody's savings be if the whole world finally came together to outlaw shadow banking systems and offshore tax havens.”
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- These recent pronouncements together with articles appearing in *Euromoney, Offshore Alert*, and in the online legal research network, *Thomson Legal Record*, confine OFCs to the apocryphal field of `a shelter’ for tax evaders, perpetually in need of regulatory guidelines and rules from a supranational authority whether it be from the OECD, the FATF, the Financial Stability Forum or the Bank for International Settlements. In today’s outrage over huge pay and bonuses among the richest elites, tax evasion equals male dis-honour but it touches on the idea of the OFC as temptress and locates blame in the nature of the Caribbean as feminised space (in the masculinised/patriarchal sense).
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