

THE SEVEN DEADLY SINS OF CAPITALISM

Greed is deeply rooted in capitalism. In her passionate and rather terrifying book *“The Shock Doctrine”*, Naomi Klein points to *“a nagging and important question about free-market ideologues. Are they “true believers”..., or do the ideas and theories frequently serve as an elaborate rationale on unfettered greed while still invoking an altruistic motive?”*⁴ Greed takes different forms, from benign to malign. The fact that benign forms of greed have spread across the economy and the whole of society leads many to envy the most successful (a large media segment continues to thrive on the rich and (in)famous, after all), and therefore to accept malign forms of greed. Furthermore, the lines between selfishness and rapacity are not always clearest and often blurred.

Let us attempt a few possible explanations to the causes that make greed a deadly sin:

- The capitalist system is based on and nurtured by various types of economic, social and other inequalities. These result in differences in possession, which in turn nurture and create new forms of inequality.
- No matter that Mark Twain wrote: *“Any so-called material thing that you want is merely a symbol: you want it not for itself but because it will content your spirit for the moment,”* consumption capitalism is largely driven by a craving to have and own more – more than you had before and more than the neighbors have now. Keeping up with the Joneses is about envy but then rapidly translates into greed. *“Mr. Greed, why you got to own everything that you see,”* sang John Fogerty.
- The conservative ideology, especially in its Anglo-American version, progressively (?) endorsed by other segments of the Left (and not only in the “Third Way”),

⁴ Naomi Klein: *“The Shock Doctrine. The Rise of Disaster Capitalism.”* (Penguin Books, 2008).

promotes an ownership society. This applies especially to home ownership, as well as to other related assets, stationary (a second residence) or mobile (one car or more). Even after (is it really over?) the terrible subprime mortgage nightmare, 38 percent of one survey's respondents in Britain regard increased mortgage availability as the best measure for the health of the UK housing market, while 75 percent of respondents in the U.S. still believe "*owning a home is essential to the American Dream.*"⁵ Incidentally, we have here a perfect example of deception, as you really become the owner when the last installment is settled, and not any time before.

- Banks, insurance companies, and other credit "innovations" from the shadow-banking sector have thrived on the insatiable appetite for goods, which is in most cases – except for the wealthy who can afford paying in cash – now linked to an addiction to credit. It started with branches set up on main street, then with building a "*credit card nation.*"⁶ This trend has particularly affected North America and the British Isles, but other economies followed.⁷
- "*Unfettered finance*" is characterized, among other features, by lavish compensation packages mostly, if not

5 Cited in "*The House Issue*" in Modus RICS magazine (September 2011).

6 Words used by Rochester professor and financial expert Robert D. Manning: "*Credit Card Nation. The Consequences of America's Addiction to Credit*" (Basic Books, 2001). Read also: "A Piece of the Action. How the Middle Class Joined the Money Class", by New York Times columnist Joe Nocera (Touchstone, 1995); and "*The Two-Income Trap*", by Elizabeth Warren and Amelia Warren Tyagi (Basic Books, 2004). It looks like those books were not dipped into before the 2007-2009 dip...

7 Another worrying sign: "*Citigroup to issue China credit cards*" (Financial Times, February 7, 2012).

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solely, fueled by... greed (stock options are the perfect illustration of this).⁸

- To make things worse, some of the so-called sophisticated financial products and techniques are in fact heavily based on rapacity, in trading rooms and elsewhere, directly or indirectly.

⁸ Martin Wolf: *"The new capitalism. How unfettered finance is fast reshaping the global economy"* (Financial Times, June 19, 2007).