

## Italo Calvino and "Finance": The Invisible, Infinite and Illogical City without a Future

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### Abstract

The fall of the Berlin Wall and the non-appearance of the external enemy that instrumentally but unscientifically held everyone together threw open the doors of knowledge and the Academy to rational markets, to huge volumes of paper money whose value is no longer understood, only its power, and we endure it all in silence. Yet the deception is obvious because the infinite money supply is inconsistent with the finite dimension in which the human and natural dimension resides. Money operates in a negative infinity that destroys the common good, as Tommaso d'Aquino stated in the "Summa Theologiae" when he spoke of usury.

An illogical hypothesis ensues, if due to its fundamental nature the infinite and ungovernable production of money loses its ability to be measured - a set of infinite assets or things cannot be subject to quantification - its value is uncertain if determined by unrealistic elements in a context of power ensuring acceptance of a principle functional to dominance but without a scientific basis. It would seem that a strong dollar creates problems for the economy but strangely not for money that is magically sustained through endless speculations made with derivatives.

Ezra Pound affirmed that creating money to continually create more money destroys all social order, decency and beauty. It becomes a logical contradiction without end even when confronted with the evidence; the malignant endlessness of the unlimited increase in money at the expense of the community destroys the "common good". Neoliberalism imposed deregulation and in finance this generated a concentration of wealth that is ungovernable by individual states, enduring its dominion while the process accelerated by globalization facilitated the invasion of this limitless supply of money. Infinite and immeasurable money cannot co-exist with the finiteness of real assets that should be its counterpart. The concentration and lack of rules favouring the "rational" diffusion of instruments measuring the financial equilibria - far from the social dimension of human life - of countries and societies are determining our lives - spread, ratings, etc. - and the trends are governable according to the case.

**Keywords:** Finance; Social dimension; Human life

### Introduction

"Invisible Cities" by Italo Calvino [1] published in 1972 is probably his most beautiful and intense work. Full of melancholy for a past that no longer exists but which helps to understand or try to understand what the future will be or how one would like it to be and is in this sense a surreal work, and as Pasolini stated in his commentary, outside of all time but also in every time. The story that Marco Polo narrates to Kublai Khan is a representation of imaginary cities that the traveller has seen and dreamed of but all seem soulless because it is not the walls, towers, palaces and skyscrapers that give life to a city but the people who live there. Men with their work, with their feelings, the way of being together, living the emotions, creating hopes for the future and dreaming, these give life to an aggregate of things that without soul become empty and therefore invisible. They leave no trace but only vain and vacuous memories and for Marco Polo represented a form of the past that never returns. Seeing that which has not been but could have been, and may still be, can help soothe the pain of life that passes, offering the hope that life can resume new sustenance if returning to the feelings that give rise to the Platonic allegory of the cave where it seems man should always remain imprisoned without the courage to try to leave and find himself.

Calvino and his contemporaries did not live centuries ago but looking at today's reality, an eternity seems to have gone by, insofar as their thinking was embedded in the culture of human history and not in the virtual and unrealistic representation that we endure daily and with which we stifle the creative imagination of the young, trapping them in an aseptic dimension. They could never have imagined a society so distant from its dimension of human society. They could

never have conceived that the ancestral greed and cupidity of man would bring about a return to primitive and barbaric ordeals, a world steeped in horrific and inhumane wars that seem to have resumed the spirit of infinity. They would never have thought that the ashes of two world wars would give life to a new Babylon rather than an "agora" that all participate in. It is always the socio-cultural model that shapes and strengthens the will and life of men but this model can seep into the consciousness depriving it of its ability for self-criticism and ultimately thought. Alexis de Tocqueville remarked that the risk of a power that insensibly penetrates the innermost life of individuals directs their actions, their choices and weakens the will. Focusing on the moonlight thus distracts from the change that is taking place in front of our eyes but which is not perceived as it is too painful. A kind of hegemonic power therefore forms that is distant from the sense of "societas" and collaboration and nearer the "bellum omnium contra omnes" or a war of all against all.

Similarly, in his magnum opus "Human Action" Ludwig von Mises [2] clarifies the difference between cooperation based on contracts producing a "symmetrical relationship" between the parties entering

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into a social contract - citizens and politics - and political cooperation based on command and subordination that instead generates an "asymmetrical relationship". In the latter case, he stated, society is subjected to constraints and hegemonic relations that prevail and dominate.

This global and hegemonic city based on an asymmetrical relationship between finance-power and society wherein we find ourselves today entirely disoriented, which in Calvino's cultural framework we could call the city of "Finance", is in its own way "invisible" because the hegemonic power represented by finance and its instruments is hidden from view by a clever manipulation of communication, something present but impalpable and smoky. We have long been in a war using the weapons of finance, but this war is invisible to most who endure it without realizing that they are its victims, the armies deployed are not clearly visible, the real enemies cannot be seen nor the battlefields or the dead. We are facing an unprecedented moral desolation, without the sense of yearning that warms up and excites the hearts. This city is in its own way invisible since the stage managers are hidden as in the ancient theatre of the Sicilian puppets and puppeteers in which the former are seen and heard but are manipulated by the latter who give them voice. Invisible as those pulling the strings behind the puppets are the financial institutions that in turn are controlled by others in a hierarchy of command where the top rank is quite invisible. In this soulless city, moral sense is absent and the destruction of humanity in an absolute sense prevails, death and destruction without limits, and hence infinite.

The city of "Finance" is constituted of a monetary mass that endlessly multiplies without controls and without value because money as a means of exchange has been transformed into an asset as such. Money once served to replace the barter system but on condition that the pieces of paper had a clear counterpart in a real asset that was traditionally gold. When in 1971 the US unilaterally abandoned linking the dollar to gold, money unnaturally assumed a value detached from the real world and being printed endlessly cannot be measured or have a unit of measure. The infinite monetary mass is immeasurable and despite the "logical" evidence, money is used as a measure of the "finite" dimension of our world, distancing the real value of assets from their financial price. Real assets - gold, silver, oil, wheat, raw materials, etc. - are not infinite but have a finite dimension that cannot be measured with a measurement unit such as money that appertains to an infinite dimension. Nor can a value be assigned to assets through money that in itself has no value. Disconnected from the real economy and taken to an astral and surreal realm, as Calvino would say, has primed the conditions to applying to its study the exclusive use of the quantitative mathematical formulations of the exact sciences that in operating in an infinite context through transference can attribute their exactitude to financial values that end up becoming infinite and depend on a quantitative instrument that then becomes the ends and is continuously and academically legitimized with a passive cultural colonization that allows no criticism. This concept can be expressed with a syllogism.

- If the money supply is infinite or infinitely reproducible - currency, derivatives, OTC, futures, credit default swaps (defined by the financier Buffet as "weapons of mass destruction") - it cannot be subject to measurement or have its own measurement unit or value if not linked to a real asset defined in finite quantities nor can it be used to measure and attribute it value.

- If the natural world consists in a finite dimension, this can be measured and the value depends on its quantity in relation to demand since the relationship between supply and demand is linked to a given finitude.

- If money cannot be measured as it is infinite and devoid of value as only paper, it cannot be used to measure and give value to real and finite assets that belong to a different dimension. Its use therefore lacks the fundamental bases and is contrary to Aristotle's principle of "non contradiction".

This demonstrates the asymmetry between the financial value of a finite asset and its real value, the former being incoherent with the latter, and constitute two different dimensions. Attributing rationality to infinite finance, as Lucas did to rational markets, coincides with infinite and immeasurable quantities but the principle cannot be extended to a finite reality in which human emotion also deducts the alleged rationality of financial markets that are not in fact rational and the "logic" demonstrates the lack of foundation if applied to reality. This is evidenced by the fact that the more finance tries to deal with the crisis, the more severe it becomes. Over the past 20 years, the money supply has exploded compared to world GDP, derivatives alone in this period have grown almost 700 times in relation to world GDP of which they were 1/20, remaining without rules and without control. The debts of all the countries and companies of the world are more than three times world GDP. To be considered is that financial values also contribute to determining GDP and if excluding this effect, the figure would be much more significant. Uncontrolled controllers that are in agreement with the controlled leads to moral and social collapse. Juvenal stated in his *Satires* written approximately in AD 100, "Pone Seram, cohibe, sed quis custodiet ipsos custodes? Cauta est et ab illis incipit uxor [Apply locks and restraint, but who will guard the guardians themselves? Your wife is as cunning as you, and begins with them]".

Over the past 20 years, the money supply and its toxic products - disconnected from reality - has infinitely grown more than real wealth, creating expectations of wealth that have contributed to indebting the world but not to improving the expectations of universal human rights as they were stated in 1947. Finance, unlike the real economy, is moving in a short or very short-term logic at the cost of instigating illegal actions to pursue the maximization of results in the short term. In this way, the real economy is financialized to achieve quicker "shareholder value", dissociated from long-term economic efficiency. Finance thus operates with the culture of locusts destroying real wealth for money and liquidity but ignoring the future. Money has not only helped destroy the real economy, consider the US and the UK where manufacturing is disappearing in favour of finance, but has also led to the collapse of the social system in which the ends have become short-term self-interests against the common good. This finance is used not for the purpose of generating wealth but rather power also thanks to manipulating the data and projections that seem to change continuously. The non-rational variations in data that influence the debt trends of countries but more instrumentally due to other interests, renders such activities more and more like usury. We can define "macro-usury" when the finance forces the democratic institution with the money and a culture unfounded on scientific roots.

Simply noting the trends of the infinite monetary magnitudes used to measure the "financial equilibrium" of a social system demonstrates the irrationality of their trends. In the ongoing 2010-2013 Europe campaign, the "spread" moved inconsistently with the facts but with the interests that it had to answer to. The US investment banks were convicted of fraudulent manipulation of financial data that generated the sub-prime crisis as was Standard and Poor's for manipulating the ratings as proof that the data cannot be accurate as their nature is incompatible with their measurability.

Keynes [3] stated in 1931 that, "speculators may do no harm as

bubbles on a steady stream of enterprise. But the position is serious when enterprise becomes the bubble on a whirlpool of speculation". He could not have foreseen that globalization would lead the evident observation to the limit of sustainability. The problem that every single day we have before our eyes but no one wants to see, seems to be and is in fact the Egg of Columbus.

Finally, if we accept the logical formulation of the manipulation of the infinite monetary supply, and this may be such precisely because its infinite, then its use assumes a dimension of exercising a power that transcends both its scientific and democratic legitimacy because this power, legitimized by the Academy that will have to assume its responsibilities, is used to force the decision-making processes of individual States functional to the realization of interests beyond those of the States. The despotic game of finance has separated politics from political power - Hilary Clinton's six top financiers include four Wall Street investment banks - and the wealth of States that the debts have been left to is a noose that even the States themselves have gone to great lengths to put around their necks.

This city thus lacks scientific foundation and is "illogical" because it is based on an illusionary game of light and shadow but cannot indefinitely hide the logical weakness of its non-rationality and its contradictions between the finite and the infinite. We have agreed to build a Tower of Babel in which the participants no longer understand the rules, everyone speaks a different language designed to satisfy specific interests and not the common good often cited as a fig leaf to mask imperialism without moral rules. Justice itself is thereby manipulated to achieve higher interests, which become dominant and the principle of personal utility is affirmed at the cost of normalizing illegal behaviour. As Sorokin [4] wrote in 1941 in his work "The crisis of our age", the legal norms are increasingly considered a mechanism by which the strongest exploit the weakest: a fraud that enables the ruling class to subdue and control the subordinate classes. But when values lose all flavour and effectiveness, the only way to control human relations is through brute force... That is why today everyone repeats that the strongest have reason. This in turn has produced hatred that has led to the use of brute force and bloodshed. In a situation marked by chaotic conflicts, normative moral values have come to be based on dust and have given way to brutal and arbitrary coercion. The "pathos" of Christian love able to hold men together has been increasingly replaced by hatred among men, classes, nations and races (today we would also say among religions). As a result, power has become law,

and has again raised its monstrous head, the "bellum omnium contra omnes", as Sorokin called it. Seventy-four years have passed since the prophetic vision of this great scholar, founder in 1930 of the department of sociology at Harvard, at the time considered a dangerous visionary, but today a daily reality.

At length, we come to the final qualification of the city of "Finance", a city without a future and the conclusions have been stated. A society without moral values, with rampant unemployment and poverty, with a concentration of wealth unrivalled in history but without producing real wealth and exercising it hegemonically cannot - nor deserves - to last long. When the debts dig deep into the social fabric, taxing the remedial actions of individual States, and prejudicial to their independence, societies as they are now risk their overall resilience. What future can a socio-cultural model have that places money before man? History over its millennial path shows us that societies exclusively collapse due to war and class, but we cannot allow ourselves to face the chaos without attempting to regain consciousness and mutual respect. Let us hope we find the right road to follow before it is too late, the old road of mutual love that we are destined for if wanting to fulfil the unique and creative mission entrusted to us. Then, we can remember the end of the Calvino's book and Marco Polo's answer to Great Khan who said: 'It is all useless, if the last landing-place can only be the infernal city, and it is there that, in ever-narrowing circles, the current is drawing us'. And Polo said: 'The inferno of the living is not something that will be; if there is one, it is what is already here, the inferno where we live every day, that we form by being together. There are two ways to escape suffering it. The first is easy for many: accept the inferno and become such a part of it that you can no longer see it. The second is risky and demands constant vigilance and apprehension: seek and learn to recognize who and what, in the midst of the inferno, are not inferno, then make them endure, give them space'.

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