

**“Simultaneously impressed with one delusion”**

*The fixation with economic growth becomes an even greater intrusion into every conceivable aspect of life during times of recession. The dangers of letting the money motive get out of hand should not be underestimated, writes James O'Connor.*

**CHARLES MACKAY**, a sharp-eyed Scot, wrote a remarkable two-volume book in the 1840s that is still relevant today. Entitled *Memoirs of Extraordinary Popular Delusions and the Madness of Crowds*, it's a calmly told but forceful account of misguided, hysterical, malicious, downright destructive or just plain silly ideas that have gripped societies throughout human history. Nations, says Mackay, are like individuals in that they too have their weaknesses and moments of madness, “their seasons of excitement and recklessness, when they care not what they do.” Whole societies “become simultaneously impressed with one delusion and run after it, until their attention is caught by some new folly more captivating than the first.” Mackay's book is valuable in highlighting the recurrent herd mentality that has made much of human history into a merry-go-round of bad ideas.

**IF MACKAY** were alive now he might agree that the ongoing obsession with economic growth is one of the most extraordinary popular delusions that there has ever been. American sociologist **Daniel Bell** wrote in the mid-1970s that economic growth had become “the secular religion of advancing industrial societies,” but it has long passed that stage. In some quarters, faith in economic growth has long since degenerated into a form of fundamentalism comparable to the religious fundamentalisms that nowadays overshadow more moderate and reasonable forms of belief. It is with good reason that the obsession with economic growth has been dubbed “market fundamentalism”. Although the term is polemical, it came not from dreadlocked hippies or raving Marxists, but from people with impeccable capitalist credentials. It was coined by billionaire investor-turned-political activist **George Soros**, and was soon endorsed by many others, including Nobel prize-winning economist **Joseph Stiglitz**.

**THE PROBLEM** has long been recognized, and apart from market fundamentalism, neo-liberalism, the Washington Consensus and the like, there are many other names for more or less the same phenomenon. One of the ones I find most useful is *economism*, which has been discussed in detail by many critics of capitalism, including Finnish political scientist **Teivo Teivainen** and development ethicist **Des Gasper**. Economism is the idea that most of life can be understood, valued and managed through economic calculation. Another key element of the idea is that the world itself must be seen as an “economy,” one which must be run according to its own technical requirements. The growth of “the economy”, according to the economist mindset, is the most fundamental value, and the pursuit of economic growth fundamental purpose of human life. Like the more colourful extraordinary popular delusions described by Mackay, economism crowds out all other considerations by gradually transforming every imaginable aspect of life into an economic commodity.

**THIS PROCESS** has gone so far already that it seems odd nowadays to even question the widely-accepted practice of referring to entire countries as “economies”, as if that were the only, or at least the most important, aspect that needs to be taken into account concerning countries. The nationalist assumption – which I would also call an extraordinary popular delusion – that the world can be understood by dividing it up into neatly-bordered artificial packets called countries or nation-states is narrow-minded enough. Boiling these down even further by stripping away everything that cannot be seen in economic terms and recasting them as “economies” pure and simple is to take an even more drastically narrow-minded and parochial view of the world.

**ALL THIS** has plenty to do with Finland. The herd mentality of economism is in full flight here (as it is everywhere else too) in a surprising variety of forms. One of the reasons why this is so is that there is practically no activity, no matter how indefensible on other grounds, for which one could not find an economic justification. One instance of this is the government’s refusal to consider a ban on the brutal practice of fur farming, because they are unwilling to ban a “form of industry”. Another example is Finland’s stubborn refusal to sign and ratify the Ottawa Convention on landmines, because to do so would require going to the considerable expense of replacing the country’s stockpiles of landmines with other, most likely more expensive forms of border protection. In this case, the fact that the Finnish state saves money by not abolishing the use of landmines is taken to be of greater value than the good that would be done beyond Finland’s borders in supporting a treaty that is aimed at making life safer for people in countries that have been or are still at war. According to the non-governmental organisation Landmine Monitor, Finland is the only member of the European Union that has not signed, ratified, or acceded to the Ottawa Convention.

**ANOTHER SYMPTOM** of a society being dominated by a narrowly economic worldview is that other reasons for doing things are automatically assumed to be of less value in justifying a particular policy or other course of action. A clear example of this is the reasons given by the working group on cultural policy for their aim of increasing the amount of arts and education given in schools. The working group, led by the Chariman of the Arts Council of Finland **Leif Jakobsson**, has acknowledged that there are strong non-economic reasons for giving children and young people a solid grounding in the arts and humanities. However, as the Helsingin sanomat reported on 10 March, the bottom line, in this case as in so many others is that the economic argument is given the most weight: increased and improved arts and humanities education in schools are necessary, according to the interim proposal submitted to the Ministry of Education, in order for “the creative economy” in Finland to thrive. If the same money-driven logic keeps spreading its tentacles further, it may not be long before parenting, for instance, is rebranded as “the procreative economy”.

**ANOTHER EXAMPLE.** Music Export Finland reported this week that the overall foreign market value for Finnish music in 2008 was 23.3 million euros, up four million on the previous year. The MEF survey, as far as I know, does not include any data on how much of that output is actually worth listening to. (Note that I use “worth” here in the non-economic sense of the term). I wonder how **Sibelius** or the painter **Albert Edelfelt** would have reacted to their work being treated as just another commodity with a price tag attached?

**I'M NOT** suggesting that economic considerations should be overlooked, or that anyone should pretend that financial constraints and incentives don't exist. The point instead is that the prevailing tendency to treat the economic case for or against something as always being the knock-down argument puts all other considerations in a precarious position. Even if arts education in schools, to return to the previous example, were to have negligible economic value – which might be the case with, say, learning Latin, unless one is interested in selling Bibles to the Vatican – this would be no reason for devaluing it. The intrinsic value of any activity, whether it's painting, writing novels, or whatever should be assessed in its own terms, and in any case varies so much from one activity to the next that it's woefully ignorant to reduce them all to the same simple-minded measure of monetary value.

**I MIGHT** also mention in this context Finnish billionaire business **Björn Wahlroos'** recent suggestion in the Suomen kuvalehti weekly that Finland should stop paying development aid because it's not a lucrative investment, just "money down the drain" as he put it. But rather than give the last word to a callous banker, I'd rather leave the final verdict to someone who did not suffer from economic tunnel vision:

**"WHEN THE** accumulation of wealth is no longer of high social importance, there will be great changes in the code of morals ... We shall be able to afford to dare to assess the money-motive at its true value. The love of money as a possession – as distinguished from the love of money as a means to the enjoyments and realities of life – will be recognized for what it is, a somewhat disgusting morbidity, one of those semi-criminal, semi-pathological propensities which one hands over with a shudder to the specialists in mental disease. All kinds of social customs and economic practices, affecting the distribution of wealth and of economic rewards and penalties, which we now maintain at all costs, however unjust and distasteful they may be in themselves, because they are tremendously useful in promoting the flow of capital, we shall then be free, at last, to discard."

So wrote economist **John Maynard Keynes**. That was in 1930. His hopes, unfortunately, seem as far off now as they were then.

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