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Capitalists and Other Psychopaths

By WILLIAM DERESIEWICZ

THERE is an ongoing debate in this country about the rich: who they are, what their social role may be, whether they are good or bad. Well, consider the following. A recent study found that 10 percent of people who work on Wall Street are “clinical psychopaths,” exhibiting a lack of interest in and empathy for others and an “unparalleled capacity for lying, fabrication, and manipulation.” (The proportion at large is 1 percent.) Another study concluded that the rich are more likely to lie, cheat and break the law.

The only thing that puzzles me about these claims is that anyone would find them surprising. Wall Street is capitalism in its purest form, and capitalism is predicated on bad behavior. This should hardly be news. The English writer Bernard Mandeville asserted as much nearly three centuries ago in a satirical-poem-cum-philosophical-treatise called “The Fable of the Bees.”

“Private Vices, Publick Benefits” read the book’s subtitle. A Machiavelli of the economic realm — a man who showed us as we are, not as we like to think we are — Mandeville argued that commercial society creates prosperity by harnessing our natural impulses: fraud, luxury and pride. By “pride” Mandeville meant vanity; by “luxury” he meant the desire for sensuous indulgence. These create demand, as every ad man knows. On the supply side, as we’d say, was fraud: “All Trades and Places knew some Cheat, / No Calling was without Deceit.”

In other words, Enron, BP, Goldman, Philip Morris, G.E., Merck, etc., etc. Accounting fraud, tax evasion, toxic dumping, product safety violations, bid rigging, overbilling, perjury. The Walmart bribery scandal, the News Corp. hacking scandal — just open up the business section on an average day. Shafting your workers, hurting your customers, destroying the land. Leaving the public to pick up the tab. These aren’t anomalies; this is how the system works: you get away with what you can and try to weasel out when you get caught.

I always found the notion of a business school amusing. What kinds of courses do they offer? Robbing Widows and Orphans? Grinding the Faces of the Poor? Having It Both Ways? Feeding at the Public Trough? There was a documentary several years ago called “The Corporation” that accepted the premise that corporations are persons and then asked what kind of people they are. The answer was, precisely, psychopaths: indifferent to others, incapable of guilt, exclusively devoted to their own interests.

There are ethical corporations, yes, and ethical businesspeople, but ethics in capitalism is purely optional, purely extrinsic. To expect morality in the market is to commit a category error. Capitalist values are antithetical to Christian ones. (How the loudest Christians in our public life can also be the most bellicose proponents of an unbridled free market is a matter for their own consciences.) Capitalist values are also antithetical to democratic ones. Like Christian ethics, the principles of republican government require us to consider the interests of others. Capitalism, which entails the single-minded pursuit of profit, would have us believe that it’s every man for himself.

There's been a lot of talk lately about "job creators," a phrase begotten by Frank Luntz, the right-wing propaganda guru, on the ghost of Ayn Rand. The rich deserve our gratitude as well as everything they have, in other words, and all the rest is envy.

First of all, if entrepreneurs are job creators, workers are wealth creators. Entrepreneurs use wealth to create jobs for workers. Workers use labor to create wealth for entrepreneurs — the excess productivity, over and above wages and other compensation, that goes to corporate profits. It's neither party's goal to benefit the other, but that's what happens nonetheless.

Also, entrepreneurs and the rich are different and only partly overlapping categories. Most of the rich are not entrepreneurs; they are executives of established corporations, institutional managers of other kinds, the wealthiest doctors and lawyers, the most successful entertainers and athletes, people who simply inherited their money or, yes, people who work on Wall Street.

MOST important, neither entrepreneurs nor the rich have a monopoly on brains, sweat or risk. There are scientists — and artists and scholars — who are just as smart as any entrepreneur, only they are interested in different rewards. A single mother holding down a job and putting herself through community college works just as hard as any hedge fund manager. A person who takes out a mortgage — or a student loan, or who conceives a child — on the strength of a job she knows she could lose at any moment (thanks, perhaps, to one of those job creators) assumes as much risk as someone who starts a business.

Enormous matters of policy depend on these perceptions: what we're going to tax, and how much; what we're going to spend, and on whom. But while "job creators" may be a new term, the adulation it expresses — and the contempt that it so clearly signals — are not. "Poor Americans are urged to hate themselves," Kurt Vonnegut wrote in "Slaughterhouse-Five." And so, "they mock themselves and glorify their betters." Our most destructive lie, he added, "is that it is very easy for any American to make money." The lie goes on. The poor are lazy, stupid and evil. The rich are brilliant, courageous and good. They shower their beneficence upon the rest of us.

Mandeville believed the individual pursuit of self-interest could redound to public benefit, but unlike Adam Smith, he didn't think it did so on its own. Smith's "hand" was "invisible" — the automatic operation of the market. Mandeville's involved "the dextrous Management of a skilful Politician" — in modern terms, legislation, regulation and taxation. Or as he versified it, "Vice is beneficial found, / When it's by Justice lopt, and bound."

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