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Abstract

The present work aims to investigate the rising influence of the financial realm on everyday life of a growing number of individuals worldwide. My main focus is on western democracies, where technological development in computing and communication technologies has fundamentally altered the nature, power and reach of financial products. Under the umbrella term economic warfare I will analyze how the combination of financial screening technologies, a consumption and growth based economical system and the propagation of profit as one of the major goals in life, has lead to a new self-definition of man in financial terms. I will study and define this *Financial Citizen* in my thesis. After analyzing the terms financialization, financial inclusion and financial literacy I have drawn on Maurizio Lazzarato's concept of the indebted man to explore the creditor-debtor relationship in order to further approach the *Financial Citizen* by adding a theoretical foundation. My analysis of the work of Caitlin Zaloom and Stefan Leins on traders and analysts employed in the financial industry provides insight into the working environment and self-image of individuals benefiting from growing financial markets. The final part of my work is dedicated to the analysis of Nikolas Rose's work on *Biological Citizenship* that I will use as a template to develop my concept of the *Financial Citizen*. My analysis of Foucault's work on discipline and punishment and Wacquant's work on the punishing welfare state completes my work by elaborating on the negative effects of enlarging financial possibilities for individuals.

Abstract

Die vorliegende Arbeit dient der Untersuchung der zunehmenden Einflüsse, die Finanzstrukturen weltweit auf das tägliche Leben einer wachsenden Zahl an Menschen haben. Der Hauptfokus liegt hierbei auf westlichen Demokratien, in denen der technische Fortschritt im Bereich der Computer- und Kommunikationstechnologie das Wesen, die Wirkung und die Reichweite von Finanzprodukten grundlegend geändert hat. Unter dem Begriff Economic Warfare analysiere ich, auf welche Art und Weise die Kombination eines wachstumsorientierten wirtschaftlichen Systems und die Propagierung von Profit als eines der herausragenden Lebensziele zu einer Neudefinierung des Menschen im finanziellem Kontext führt. Was diesen *Financial Citizen* ausmacht und in welchen Kontexten er entsteht, werde ich in der vorliegenden Arbeit untersuchen. Nach der Analyse der Termini financialization, financial inclusion und financial literacy, verwende ich Maurizio Lazzaratos Konzept des indebted man, um die Kreditgeber-Schuldner-Beziehung zu untersuchen, und mich dadurch dem *Financial Citizen* konzeptionell und theoretisch anzunähern. Meine Analyse von Caitlin Zalooms und Stefan Leins Arbeit über Händler und Analysten, die in der Finanzbranche arbeiten, gibt Einblicke in das Arbeitsumfeld und das Selbstverständnis von Individuen, die stark von der wachsenden Finanzindustrie profitieren. Im letzten Teil meiner Arbeit untersuche ich die Arbeit von Nikolas Rose zu *Biological Citizenship*, die ich als theoretische Grundlage benutze, um mein Konzept des *Financial Citizen* zu entwickeln. Meine Auseinandersetzung mit Foucaults Standardwerk zu Disziplinierung und Bestrafung und Wacquants Publikationen zum strafenden Wohlfahrtsstaat vervollständigt diese Arbeit, indem sie die negativen Effekte von wachsenden finanziellen Möglichkeiten für Individuen beleuchtet.

1. Introduction

Throughout the last four decades the rising influence of financial calculations and judgments based upon these has shaped a new ideology, a new “imaginary relationship of individuals to their real conditions of existence” (Althusser 1984, 36). This has fundamentally altered the understanding of the economy, workspace, disciplining techniques, ways of punishment and daily life. The combination of financial screening technologies, a consumption and growth based political and economical system and the propagation of profit as one of the ultimate goals in life, leads to a new self-definition of man in financial terms, the *Financial Citizen*, that I will study and define in this thesis. With this novel perception, new forms of disciplinary methods are emerging and new ways of punishment are evolving.

Access to financial services, utilization fees and exclusion from the realm of finance is becoming a defining factor in the course of life for an ever-growing number of individuals worldwide. Moreover, the rising importance of the financial realm in everyday life has also fundamentally altered the approach to solving mayor conflicts worldwide: A trend, mostly visible in US politics towards rogue nations like North Korea or Saddam Hussein’s Iraq, to turn towards a form of economic warfare mainly based on financial instruments intended to turn the targeted financial institution into an contagious outcast. The U.S. Treasury Department sees this as an elegant form of applying pressure when diplomacy fails, write Kohlenberg and Schieritz in an in-depth article for *ZEIT ONLINE* (Schieritz and Kohlenberg 2014). Economic warfare takes advantage of the worldwide operating financial industry as the ultimate tool to reach seemingly everyone on this planet. How is it possible that the sheer control over the world’s financial system ended up enabling “(…) financial weapons (…) [and] aggressive actions against various American foes (…)” (Burrough 2013, BU6), conducted, amongst others, by self-described guerillas in grey suits working for the U.S. Treasury Department. This kind of problem solving relies heavily on the financialization, a term I will define and analyze in subchapter 2.1, of the private and public realm.

Under the umbrella term economic warfare I will analyze and focus on the underlying fundamental developments that made it possible to heavily influence the life of vast numbers of individuals: from creating extreme wealth for some to producing systemic indebtedness, insecurity and dependence for others. In order to give a framework to these developments I will draw on current scholarly work on financialization, financial inclusion and financial literacy mainly by anthropologists, but also by economists and researchers of other disciplines.

This first part of my work is followed by an overview of Lazzarato's concept of the *indebted man*, which focuses on the creditor-debtor relationship as an apparatus boundlessly controlling social spheres and populations. Together with my interpretation of *financialization*, Lazzarato's work gives a good analytical basis for both the following chapters four and five, where I analyze two diametrically opposed outcomes of todays economic condition: Economic liberation at the top end, for the wealthy and powerful, while castigatory and restrictive for the working poor, welfare recipients and others at the lower end of the system. Lazzarato's claim that "[t]he debt economy appears to fully realize the mode of government suggested by Foucault" (Lazzarato 2012, 162) will be scrutinized in these two chapters. Lazzarato's concept concludes the theoretical part and leads into chapter four where I draw on anthropological fieldwork of Caitlin Zaloom and Stefan Leins. Both anthropologists analyze the world of the self-appointed *elite* of financial traders and analysts, whose working life exemplifies the advantages of the economic and social developments I describe in the previous part.

In the last part of my work, chapter five, I turn to emerging financial subjectivities and the notion of *Financial Citizenship* drawing on Nicolas Rose's concept of *Biological Citizens*. Furthermore, I use Foucault's and Wacquant's work on discipline and punishment to elaborate on the castigatory and restrictive outcomes of the reconfigured political, social and economic sphere in the context of neoliberal state crafting which Wacquant describes as a turn towards a "daddy state", which gives priority "(…) to duties over rights, sanctions over support, the stern rhetoric of the ‘obligations of the citizenship’” (Wacquant 2009, 290). These emerging obligations surrounding, defining and creating the *Financial Citizen* are central to this thesis.

2. Financialization, financial inclusion and financial literacy

Modern day financial industries have gained massive powers in the last few decades and especially in the last couple of years. The so-called "FIRE" industries (high finance, insurance and real estate) have such a tremendous influence on the global economy that some financial institutions apparently can become "too-big-to-fail"– meaning their interconnectedness, size and overall importance for the economic system eliminates the potential of bankruptcy. In theory, a failed "too-big-too-fail" firm would lead to uncontrollable and severe consequences. Therefore governments had to support such institutions during the late-2000s financial crisis, because "(…) they recognize that the consequences for the broader economy of allowing a disorderly failure greatly outweigh the costs of avoiding the failure in some way" (Bernake 2010) explained Ben Bernanke, then chairman of the Federal Reserve of the United States in his testimony before the *Financial Crisis Inquiry Commission* in 2010.

Not only can we observe a seemingly ever-growing influence of finance on most aspects of politics, the economy and on social services but especially on daily life per se. Technological development in computing, communication technology and such, has fundamentally altered the nature, power and reach of financial services, financial speculation and financial products. Dealing with finance, in one way or another, has dramatically influenced our daily lives: "From credit cards to sub-prime mortgages, from student debt to the privatization of pensions, from pay-day loans and other forms of 'fringe finance' to online stock trading, financial practices have become mainstream issues" (Haiven and Berland 2014, 8).

Mainstream, a term typically associated with radio, newspapers and mass media in general, something everyone can enjoy rather effortlessly, seems to be applicable today to a realm of well educated specialists juggling with endless columns of numbers, highly secured vaults hidden deep below the surface and high-frequency stock trading, executed by supercomputers in fractures of seconds. Through credit cards, mortgages and loans for individuals living in the *wealthy west* and the transition countries, and micro-credits for the poorest, everyone can and should take part in the world of finance. Muhammad Yunus, Nobel peace price winner and founder of *Grameen Bank*, which gives small low-interest loans to the poor, even declares credit a human right on a regular basis (Randeep 2007, 12). Loaning money to potential small-scale entrepreneurs in developing countries, seeing money in itself as empowering, seems to slowly replace the former focus on huge development aid projects like dams as a strategy to combat poverty and foster economic growth. Financial inclusion, being in debt or at least being offered a loan, appears to be the new standard, or, in other words: "[O]ne must go into debt to achieve a life that goes in any way beyond sheer survival" (Graeber 2011, 379).

Another rather recent trend that has gained momentum both in mainstream media and academia is financial literacy education. This term "(…) often appears as a part of a solution for the individualization of economic risk, growing indebtedness, financialization and ongoing austerity" (Arthur 2013, 147). To illustrate some of the outcomes of this trend, I use a quick search on amazon that results in numerous books covering the topic of teaching knowledge about finance, investment and stocks for kids and teens. Books like *I'm A $hareholder Kit: The Basics about Stocks for Kids/Teens*, *Kids, Parents & Money. Teaching Personal Finance from Piggy Bank to Prom* or *Growing Money: A Complete Investing Guide for Kids*. For the older generation numerous TV-shows are being televised showing contestants struggling with debt. Episodes always follow a simple dramaturgy: After a short introduction in which the contestant's hardships and misbehavior are shown, the host, said to be a financial expert, usually starts to tackle the issue by writing down the accumulated debt on a flipchart, making the contestants indebted financially self visible. Then the host starts to cut down the contestant's expenses and negotiates with creditors and social service institutions. First there is confession, then repentance but instead of forgiveness the contestants face years of paying off piled up credit card debt, fines and unpaid bills for flat screen TVs, smartphones and clothes. The lack of financial literacy, basically the ability to make informed decisions about the right way to spend money, and not excessive consumption or a shrinking and punishing welfare state (Wacquant 2009) are portrayed as the reason for poverty and financial insecurity.

In the following chapters I will shed light on the impact of finance on the quotidian life, on how it leaks into more and more aspects of it. Scholars of a variety of academic fields are getting more and more conscious about this recent development of the finance industry, considering it as a rewarding field of knowledge worth studying and viewing finance beyond the traditional role as provider of capital for the economy. Books like *Financialization of daily life* by Randy Martin, an Art and Public Policy Professor at the University of New York, *The Financialized Imagination,* the latest issue of *TOPIA: Canadian Journal of Cultural Studies*, the highly praised *Debt: The first 5000 years* by anthropologist David Graber and last years unlikely bestseller *Capital in the 21st century* by French economist shooting star Thomas Piketty, already give a hint at a growing importance of the realm of finance both to academia and the public. Magazines and Newspapers like the Financial Times, The Guardian, the New York Magazine and many others called Piketty a *rock-star economist*, a term rather unusual for a left wing, previously unknown economy professor from Paris.

Next I will analyze the three terms which I have shortly introduced above: financialization, financial inclusion and financial literacy.

2.1 Financialization

What is financialization? This somehow peculiar term has been increasingly used since the late 1990s to describe the broad impact of finance on many aspects of daily life observed during the shift from industrial capitalism to today's financial capitalism (Zwan 2014) or finance-led economy (Aglietta 1979; Boyer 2000). Researchers coming from a wide range of disciplines–including sociology, cultural studies, anthropology, geography and economics-used and use the term financialization to cover a variety of diverse topics, "(…) from ethnographic studies of Wall Street to discourse analyses of investment manuals, and from historical narratives on the Great Depression to contemporary reflections on the Great Depression" (Zwan 2014, 99). The broader focus lies on the question of how the progressively autonomous realm of international finance has transformed the traditional rationalities of post World War II industrial economy, characterized by equally rising wages, productivity and social benefits, and the inner mechanisms of democratic societies (Zwan 2014, 100).

There are a vast number of definitions meant to capture the essence of financialization. Common to all is stressing the novelty of this development, which appears to consist of many processes at once. For Randy Martin investigation financialization means, "(…) probing the new logic by which strange customs are made feel normal" (Martin 2002, 8). He continues by juxtaposing financialization to two heavily used terms meant to make sense of change that is occurring on a larger scale:

> Financialization, like those other recently minted conceptual coins postmodernism and globalization, gets stretched and pulled in myriad directions. Part of the complexity of the terms is that they stand simultaneously as subject and object of analysis-something to be explained and a way of making sense of what is going on around us (Martin 2002, 8).

Ronald Dore gives another broad but eloquent definition: "'Financialization' is a bit like 'globalization' - a convenient word for a bundle of more or less discrete structural changes in the economies of the industrialized world" (Dore 2008, 1097). Dore also quotes from Gerald Epstein's *Financialization and the World economy*, stating that Epstein's definition of financialization, "the increasing role of financial motives, financial markets, financial actors and financial institutions in the operation of the domestic and international economies" (Epstein 2005, 3) will suffice as well as any other. Here the word increasing, signifying the acceleration of changes in the last 30 years, is key to Dore. The development is most visible in the U.S. where a financialization of the economy, meaning that the management of large corporations move to the rhythm of Wall Street and that "(…) leading stock market indices act as a kind of barometer for the economy as a whole" (Krippner 2005, 174) produces extreme wealth and income polarization.

These approaches are focused on financialization in the sphere of economic development. To understand the impact of this peculiar dynamic on daily life of individuals, I will now turn to the already quoted Natascha van der Zwan and her recent essay *Making sense of financialization*, published in the *Socio-Economic Review*. Following Van der Zwan's observation and insights of over a decade of scholarship on financialization, there are three main approaches within this increasing scholarship:

> The first approach considers financialization as a regime of accumulation. French regulationists first began to consider financialization as the successor of the Fordist regime of accumulation. (…) [A] finance-led growth regime began to develop on response to declining productivity in the late 1960s (Zwan 2014, 101).

Exploring the relationship between declining profitability of traditional manufacturing and financial activities of non-financial companies was the main focus of these post-Keynesian analyses, writes Van der Zwan.

The second approach focuses on the modern corporation and the emerging concept of shareholder value as the main driver behind changing corporate behavior and new legislature. Anthropologist Karen Ho gives a short and accurate view on shareholder value and its resulting effects: "This radical shift in corporate purpose and practice has generated the complete divorce of what is perceived as the best interests of the corporation from the interests of most of its employees" (Ho 2009, 178). Maximizing profit for shareholders and raising market value at all costs, justified restructuring *Corporate America* to favor shareholders over stakeholders:

> For scholars of this body (…) shareholder value is not a neutral concept, but an ideological construct that legitimates a far-reaching redistribution of wealth and power among shareholders, managers and workers. Empirical phenomena interrogated in this body of work include executive compensation practices, corporate restructuring, shareholder activism, and other investor behavior, as well as the spread of the shareholder ideology from the USA to other political economics (Zwan 2014, 102).

Using the term financialization to mean the "ascendancy of shareholder value as a mode of corporate governance" (Epstein 2005, 3) covers only a rather small part of a set of phenomena. Although it might seem obvious that the concept of shareholder value with its inherent focus on financial returns, excessive monetary rewards for high-skilled workers and executive stock options on one side, with shrinking wages for low-skilled workers and the cut back on social benefits on the other side promotes financialization per se, it does not, notes Van der Zwan. She concludes that scholars of shareholder value could not establish a direct link or linear relationship between financialization and changes of corporate culture and behavior, although remarking that shareholder value can be considered a distributive project that encourages individuals to "(…) become entangled in a complicated web of financial interrelationships" (Zwan 2014, 110).

The next approach investigates this aforementioned individual. It revolves around the citizen as investor, around the individual that has to manage his life like an asset and offers a cultural perspective on financialization. Van der Zwan identifies the financialization of the everyday as the third area scholars from social accounting and cultural economics are focusing their attention on:

> These studies have interrogated projects and schemes aimed at incorporating low-income and middle-class households in financial markets through participation in pension plans, home mortgages and other mass-marketed financial products. Finance has become a decentralized form of power in this body of work, exercised through individuals' own interactions with the new financial technologies and systems of financial knowledge. By participating in financial markets, individuals are encouraged to internalize new norms of risk taking and develop new subjectivities as investors or owners of financial assets. Finance thus becomes, in Foucauldian terms, a 'governmentality' (Zwan 2014, 102).

Participation in an equity culture, taking on increased financial responsibility, accepting the individualization of risk and finally promoting "(…) the notion of the 'shareholding democracy'" (Dore 2008, 1106) can be seen as part of a specific narrative underlying the financialization of the everyday. The Italian professor and Director of Socio-Economic Research at the *Scuola Universitaria Svizzera Italiana* Christian Marazzi adds to this narrative: "The financialization of society is such that someone has coined the phrase 'ownership individualism' to indicate our all being 'minority shareholders'" (Marazzi 2008, 96). Randy Martin offers an accurate explanation of the specific appeal this equity culture has on today's citizens, an attraction that seems to be too tempting (or coercing) for anyone to resist: "The current financial mode is not simply a spectacle, an eye catching economic view, but an invitation to participate in what is on display as a fundamental part of oneself" (Martin 2002, 17).

In this subchapter I approached the term financialization from different angles and analyzed definitions from over a decade of scholarship on financialization, in order to lay the groundwork for my in depth analysis of phenomena that appeared at the same time or followed. In the following subchapter I will analyze the term financial inclusion.

2.2 Financial inclusion

In order to approach the term financial inclusion, a term David Graber uses in *Debt. The first 5000 years*, one must go back to roughly 1933 for the US, and to the post World War II era for most other industrialized democracies and, more precisely, what economists call the *Keynesian era*. It would go too far to go into detail about John Maynard Keynes' economic theories (see Keynes 2007), but the basic cornerstones are well known: *Keynesianism* promotes active fiscal policy or counter-cyclical policies and a reduction of interest rates. The basic assumption is that capitalist markets would not work properly unless governments engage in massive deficit *pump-priming*, meaning the already mentioned government spending, interest rate and tax reductions during recessions and economic downturns (Graeber 2011, 53). The appeal of this policy, implemented by industrialized democracies in the postwar era as a tactical settlement to suspend class war, describes the anthropologist as follows:

> To put it crudely: the white working class of the North Atlantic Countries, from the United States of America to West Germany, were offered a deal. If they agreed to set aside any fantasies of fundamentally changing the nature of the system, then they would be allowed to keep their unions, enjoy a wide variety of social benefits (pensions, vacations, health care…), and, perhaps most important, through generously funded and ever-expanding public educational institutions, know that their children had a reasonable chance of leaving the working class (Graeber 2011, 373).

Maurizio Lazzarato, Italian sociologist and philosopher, calls this *deal* a process of *deproletarianization*, "(…) meant to ward off the political danger posed by large industrial firms in which the proletariat could organize and become a political force" (Lazzarato 2012, 92). Policies of *deproletarianization* were enacted through the welfare state and through business co-management structures, including workers " (…) in the capitalist management of society: 'a wage-earner who is also a capitalist is no longer a proletarian'" (Lazzarato 2012, 92).

Rapidly rising productivity and equally rapidly rising income (for the white working class) and a rather low level of income inequality were the norm for the after war period until around 1980 in the US, and can be seen as the basis of the consumer economy. Both the income inequality curve assembled by Thomas Piketty (2014, 24) and the productivity and wages curve used by David Graeber (2011, 375) show these developments clearly. It is noteworthy to mention the different (economic) developments in Europe and North America during the postwar era, from the late 1940s till the late 1970s. While both regions experienced economic growth, the Western European nostalgia for this period of time, called *Trente Glorieuse* in France and *Wirtschaftswunder* in Germany, is rooted in the never seen before leap of per capita output from 0,5% growth between 1913 and 1950 to more than 4% growth between 1950 and 1970, contrasted by an average of 2% growth rate of per capita output in North America from 1913 to 1970 (Piketty 2014, 97). This golden age of growth explains the two different interpretation of the postwar history and especially of the slowdown of growth rates later on: While Margaret Thatcher in Great Britain and

Ronald Reagan in the US blamed a bloated welfare state and the overregulating state for economically falling behind, continental Europe obviously praised this period of strong state intervention as a period of rapid growth (Piketty 2014, 98). No wonder that both regions have a fundamentally different view on financialization, a phenomenon that began to gain visibility during this period, but showed its full potential in the following period. Piketty notes that in continental Europe and especially France "(…) many regard the liberalization of the economy that began around 1980 as the cause of a slowdown" (Piketty 2014, 98), while in the United States and Britain "(…) many people in both countries believe that the conservative revolution was remarkably successful, because their growth rates once again matched continental European (…) levels" (Piketty 2014, 98). This might be one of the reasons why the Anglo-Saxon region has a rather positive view on the turn towards so called neoliberal policies during the late 1970s.

What followed this era was a decoupling of wages and productivity with productivity growing steadily while wages stagnated or even atrophied (Silvers 2008), and the top decile share in US national income rising from 35% in 1980 to 50% in 2008, a clear sign of growing income inequality (Piketty 2014, 24). These developments, originating in a culmination of the oil shock, financial chaos, food riots, ecological crises and others during the late 1970s, can be described as a crisis of inclusion, writes Graeber (Graeber 2011, 375). Before, the civil rights movement in the US and other popular movements from 1945 to 1975 "(…) could be seen as demands for inclusion: demands for political equality assumed equality was meaningless without some level of economic security" (Graeber 2011, 374). Not only social inclusion (education, equal rights and alike) but also financial inclusion of minorities was a focus of civil rights movements. An interesting relationship between citizen and government can be observed here: The notion of the government as a moral debtor and freedom (also financially) as something owed to the nation. The famous *I Have a Dream* speech by Martin Luther King Jr. has an eloquent and striking passage in which the leader in the African-American Civil Rights Movement demands rights, which could fall under the term financial inclusion:

> In a sense we've come to our nation's capital to cash a check. When the architects of our republic wrote the magnificent words of the Constitution and the Declaration of Independence, they were signing a promissory note to which every American was to fall heir. This note was a promise that all men, yes, black men as well as white men, would be guaranteed the 'unalienable Rights' of 'Life, Liberty and the pursuit of happiness.' It is obvious today that America has defaulted on this promissory note, insofar as her citizens of color are concerned. Instead of honoring this sacred obligation, America has given the Negro people a bad check, a check, which has come back marked 'insufficient funds' (King, Carson, and Shepard 2002, 82).

Providing financial means to citizens, who were formerly deemed unfit for these, unlocked a vast and new customer and debtor group for financial industries, at the same time these processes offered minority groups a sense of equality and inclusion. Finally, the promise to participate in a lifestyle with an owned house, car and college education for the kids, although just financed by mortgages and consumer credit, is part of an American dream that is portrayed in the media. With the success of civil rights movements in the US, including feminism, and national liberation movement's world wide, everyone could have political rights. These on the other hand "(…) would become economically meaningless" (Graeber 2011, 375), writes Graeber referring to the period of roughly 1978 to 2009. Following Graeber's argumentation, the above cited *deal* was off: Citizens were no longer offered the economic protection of the Keynesian state, but were encouraged to become their own entrepreneur of the self. The anthropologist remarks that in this new period, citizens were encouraged to actively take part in capitalism, a sort of self inclusion, by playing the market, instead of *euthanizing the rentier* with low interest rates as Keynes famously wrote, citizens could become rentiers themselves, they "(…) could grab a chunk of the profits created by their own increasingly dramatic rates of exploitation" (Graeber 2011, 376). German Sociologist Thomas Lemke uses Foucault's concept of governmentality to illustrate this shift:

> As regards the shift in delimitation between state and society, the studies of governmentality reveal that the neo-liberal forms of government do not simply lead to a shift in the capacity to act away from the state and onto the level of society, to a reduction in state or its limitation to some basic functions. On the contrary, the state in the neo-liberal model not only retains its traditional functions, but also takes on new tasks and functions. The neo-liberal forms of government feature not only direct intervention by means of empowered and specialized state apparatuses, but also characteristically develop indirect techniques for leading and controlling individuals without at the same time being responsible for them. The strategy of rendering individual subjects 'responsible' (and also collectives, such as families, associations, etc.) entails shifting the responsibility for social risks such as illness, unemployment, poverty, etc., and for life in society into the domain for which the individual is responsible and transforming it into a problem of 'self-care' (Lemke 2001, 201).

Financial inclusion and the promotion of *technologies of the self* as Foucault calls them (Foucault et al. 1988), seem to be related to one another. Technologies of the self are a vital part of financial inclusion: managing one's own (growing) debts, healthcare, pension plans and education are the ideal of a financially included society. Governing people "(…) is not a way to force people to do what the governour wants; it is always a versatile equilibrium, with complementarity and conflicts between techniques which assure coercion and processes through which the self is constructed or modified by himself" (Foucault 1993, 203f). Furthermore, in a financialized economy and society the individual becomes the entrepreneur of the self, an abilities-machine that can produce income as an "enterprise for himself (…) being for himself his own capital, being for himself his own producer, being for himself the source of [his] income" (Foucault 2008, 225f). The educational realm of the above-described individual that lives in a financially inclusive society is the focus of the next two subchapters that define and analyze the terms financial literacy and financial public pedagogy.

2.3 Financial literacy

Below I will approach the concept of financial literacy through current articles from different German newspapers, which provide good insight into the debate about methods to introduce education covering finance for pupils in German schools.

Two incidents happened in Germany in 2015 that shed light on the debate about financial literacy. First, the German federal state Baden-Württemberg announced the introduction of the compulsory subject economy in the states *weiterführende Schulen* [advanced secondary schools] from 2016 on. Till now knowledge about the economy was taught in combination with either politics, a subject called Wirtschaft und Politik [economy and politics] or integrated in the subject Sozialwissenschaften [social sciences]. Baden-Württemberg will then be the first federal state to have a compulsory and stand-alone subject called economy in its school curriculum, a move about which the German magazine *Der Spiegel* published an excessively commented article, headlined: "Wirtschaft im Unterricht: Eine Lobby bekommt ihr Schulfach [Economy in class: A lobby gets its subject]" (Kramer 2015a). Background to this rather harsh headline is the fact that the *Holtzbrinck-Stiftung*, a private trust that supports the teaching of economic knowledge in schools, is accused of intensely lobbying for the subject. Moreover, a very favorable article about the school subject, the newly introduced study and internship programs to educate prospective teachers of the subject and the engagement of the mentioned trust was published in the German weekly newspaper *Die Zeit* (Otto 2015). It is noteworthy that the publisher Dieter von Holtzbrinck, founder of the *Holtzbrinck-Stiftung*, owns 50% of the Zeit publishing house and that Giovanni die Lorenzo, editor-in-chief of *Die Zeit*, is member of the Förderkreis [support circle] of the *Holtzbrinck-Stiftung*.

The second incident regarding economy and education in German classrooms involves the *bpb* [Bundeszentrale für politische Bildung, Federal Agency for Civic Education] and the *BDA* [Bundesvereinigung der Deutschen Arbeitgeberverbände, Confederation of German Employers' Associations]. The *bpb* is an agency subordinated to the Federal Ministry of Interior, organizes workshops and produces a large variety of publications for educational purposes, most of which can be ordered for free by German citizens, the *BDA* is an umbrella organization for German employers' organizations. In July 2015 he *BDA* successfully achieved a temporary distribution stop for a bpb publication called Ökonomie und Gesellschaft [economy and society] after effectually lobbying against the publication calling it "einseitige[r] Propaganda gegen die Wirtschaft [one sided propaganda against the economy]" and criticizing the display of a "(…) monströses Gesamtbild von intransparenter und eigennütziger Einflussnahme der Wirtschaft auf Politik und Schule [(…) monstrous overall picture of an intransparent and self-serving exercise of interest by the economy on politics and schools]" (Kramer and Sipar 2015). After heavy criticism from the media, sociological associations and workers unions the publication stop has been revoked by the Federal Ministry of Interior in October 2015, a week after the issue got public (Kramer 2015b).

The separation of economics from politics and the social sphere, quite literally as shown in the cases above, and the "(…) belief that the market should be the organizing principle for all political, social, and economic decisions (…)" (Giroux 2005, 2) can be seen as a shift of responsibilities. Moreover, this split fits the claim of researchers shown in chapter 2.1, financialization of the everyday, in this case a school subject, facilitates the discourse of self-management, risk-management and resembles a move away from the securities provided by a welfare state towards a world where individuals are responsible for dealing with flexibilization of work, insure themselves against the risks of daily life through financial literacy and by managing omnipresent debts. Having this in mind it seems like satire that the 'test' economy class described in the article in *Die Zeit* starts with the teacher shouting 'indebtedness' to get 28 eager listeners:

> An diesem Dezembermorgen genügt es, dass Beate Trull [the teacher] ‚Verschuldung' in die Klasse ruft und ein paar Zahlen an die Wand projiziert – schon hat sie 28 erstaunlich aufmerksame Achtklässler vor sich [This December morning it is enough for Beate Trull to shout 'indebtedness' in class and write down a couple of numbers to get 28 surprisingly interested pupils] (Otto 2015).

The article continues by describing how the teacher tells her pupils that 12% of 13 till 17 year olds have accumulated debts of 294 euros and asks whether this fact astonishes the pupils. The answer of one pupil is: “Man ist ja selber schuld, wenn man sich so hoch verschuldet [It is ones own fault, if one gets indebted so much]” (Otto 2015). This short excerpt of the article gives an interesting insight in what financial literacy education could look like, if taught as a stand-alone subject backed by a lobbying organization that uncritically supports today’s prevailing economic system at the expense of the critical citizen. I offer a deeper analysis of the *indebted individual* in chapter three, drawing on Lazzarato’s concept of the *indebted man* and the debt economy.

2.4 TV shows as financial public pedagogy

To expand the perspective on financial literacy beyond the school I will now turn to an essay by Chris Arthur who analyses two Canadian (*Til Debt Do Us Part* and *Prince$$)* and one American (*Repo Games)* debt television shows and thereby shows financial literacy education as public pedagogy outside formal institutions. Gail Vaz-Oxlade, a financial writer and television personality, hosts the Canadian TV shows and displays indebted couples or singles who have to complete relationship/financial challenges to win a $ 5,000 reward. Arthur describes the shows quite nicely:

> In *Til Debt Do Us Part* and *Prince$$*, we are encouraged to enjoy the host’s gleeful efforts to expose the debtors’ carefree and clueless spending, which the debtors readily admit is a moral transgression of the highest order. (…) At the end of both shows we are relieved that most of the debtors have not escaped their debts but have accepted their fates (…). They have become ‘deserving’ debtors, who have atoned for their sins and can now receive their $ 5,000 reward, though it is clear that the real reward was being set on the path of moral salvation and financial security (Arthur 2013, 150).

Arthur implies that both shows "(…) offer the ultimate 'hidden curriculum'" (Arthur 2013, 151) as they recreate a general positive view of access to consumer credit via multiple credit cards and foster the notion of individual financial responsibility. Moreover, contestants participating in these shows are mostly well off middle class with secure jobs, while at the same time being portrayed as weak and childlike *shopaholics* unable to say no to the temptations of shopping malls and department stores. In some episodes, indebtedness is portrayed as just a result of a bad lifestyle choice, in others as a hellish state of existence while the show acts as a purifying purgatory. Canadian writer and poet Margaret Atwood gives a compelling summary of these shows:

> There are even debt TV shows, which have a familiar religious revival ring to them. There are accounts of shopaholic binges during which you don't know what came over you and everything was a blur, with tearful confessions by those who've spent themselves into quivering insomniac jellies of hopeless indebtedness, and have resorted to lying, cheating, stealing, and kiting cheques between bank accounts as a result. There are testimonials by families and loved ones whose lives have been destroyed by the debtor's harmful behaviour. There are compassionate but severe admonitions by the television host, who here plays the part of priest or revivalist. There's a moment of seeing the light, followed by repentance and a promise never to do it again. There's a penance imposed-snip, snip go the scissors on the credit cards-followed by a strict curb-on-spending regimen; and finally, if all goes well, the debts are paid down, the sins are forgiven, absolution is granted, and a new day dawns, in which a sadder but more solvent man you rise the morrow morning (Atwood 2008, 42).

The show *Repo Games,* broadcasted on US television, on the other hand has far fever educational tropes but shares a comparable "emotional governmentality" (Arthur 2013, 151), writes Arthur. The concept is quite simple: The host of the show, a bodybuilder type repossession officer, visits a loan defaulter at the doorstep offering to not haul off the individual's car if the person answers three out of five trivia questions. Each time the contestant gives a wrong answer the car is further lifted on to the tow truck accompanied by insults and humorous advices from the host, for example: "You should have paid your bills!" Contestant unable to answer question like: "What are the names of the Kellogg's Rice Krispies' Mascots?" or "What country invented the kimono?" are left in disbelief and despair when the car is towed off. The importance of a car as the only means of transportation for many of the contestants, due to decades of chronic underfunding of public transport systems in the U.S., is evident to the viewer. Furthermore, auto repossession results in a poorer credit score and will effect credit rating for up to seven years with obvious consequences: Higher interest rates and accumulating fees. The viewer plays a cynical but seemingly essential role in the show: "By watching the show, viewers give contestants a chance to get out of debt *and* the opportunity to challenge their initial framing" (Arthur 2013, 151). Either the contestants are *undeserving debtors*, often ridiculed by the host, serve as enjoyment and finally rightfully loose their car, or they are equals worthy of empathy who took their chance, won and successfully became a *manager of risk*. The underlying narrative seems clear: Why help those who can't help themselves? Moreover, in the twisted and brutal logic of consumerism, the dispossessed and indebted become a commodity themselves, ready to be enjoyed while snacking in front of the TV. *Repo Games*, Arthur writes, "(…) provides a more direct example of capital's accumulative knowledge, which uses dispossession, debt and poverty as opportunities for profit" (Arthur 2013, 152). This kind of financial literacy education, although clearly exaggerated in these shows, can be seen as a stabilizer of a financialized economic system that uses debt for profit accumulation and relies on continued usage of mortgages, credit cards, student loans, individual heath care and pension plans rather than fostering financial security and questioning indebtedness as *the* norm. In *Repo Games* the ideal consumer-citizen, indebted but-with a little help from an *expert*-ethically managing debt in a financialized economy, is replaced by the ridiculed, guilty and failing-in-life economic illiterate-not even capable of answering the *simplest* questions. The attitude towards the financial self, through which the shows are able to function, as something natural, universal and without alternative, is the prevailing narrative, which gives little room to the fact that these values and dispositions were created:

> Financial literacy education, as a distinct form of neoliberal governmentality combining technologies of the self, repeats this dehistoricization while empowering us to act on ways that link our financial security and sense of morality with the re-creation of a political economic system that generates debt and financial insecurity for many (Arthur 2013, 149).

Most financial literacy education forms acknowledge the fact that debt is an inevitable consequence of a consumer-citizen lifestyle. The consumption of financial products with all its consequences appears as an apolitical endeavor: A college in Indiana (U.S.) uses the following example to measure students' *successful* participation in their debt management and financial literacy program: Students who stay at their parents home after graduation to save money on rent in order to pay back student loans are portrayed as a role model behavior to tackle student debt (UB Custom Publishing Group 2012). Moreover, looking at the a recent study from the United Kingdom conducted by the *citizens advice Scotland* in 2015 (Osborne 2015), shows that poor people pay roughly 10% more for basic goods and service in the UK and maybe therefore end up in British versions of *Repo Games*. This so called poverty premium is excluded from the public pedagogy of financial literacy campaigns and is apparently not seen as a problem of equality and social division. Henry Giroux, American professor and theorist of critical pedagogy summarizes this point precisely:

> The media, largely consolidated through corporate power, routinely provide a platform for high profile right-wing pundits and politicians to remind us either of how degenerate the poor have become or to reinforce the central neoliberal tenet that all problems are private rather than social in nature (Giroux 2005, 9)

The effects of Giroux's claims are clear: the notions that the shift of risk from financial institutions towards households is unavoidable, the development that "(…) pension claims are contingent on economic and financial market variables (…)"

(Hausler 2005) is inevitable and that financial insecurity for financial illiterates is the norm, are portrayed as *god given facts* by financial literacy supporters. These supporters are not a homogenous group or belonging to one distinct political direction. In my opinion financial literacy education should not be understood as a coordinated effort to force citizens to accept the individualization of risk or the inevitability of ineptness, but as part of a Foucauldian term: A *dispositif*, a

> "(…) thoroughly heterogeneous ensemble consisting of discourses, institutions, administrative measures, architectural forms, regulatory decisions, laws, administrative measures, scientific statements, philosophical, moral and philanthropic propositions – in short, the said as much as the unsaid (Foucault 1980, 193).

The impact of such a *dispositive* on consumer-citizens is the "(…) depoliticization and naturalization of investment as a means to achieve financial security" (Arthur 2013, 154) and creates a "financialized imagination" (Haiven and Berland 2014). Financial literacy education directly contributes to today's unchallenged position of capitalism as the only form of economic system thinkable. In the 2005 documentary about Slavoj Žižek by Astra Taylor, Žižek remarks the following:

> Think about the strangeness of today's situation. Thirty, forty years ago, we were still debating about what the future will be: communist, fascist, capitalist, whatever. Today, nobody even debates these issues. We all silently accept global capitalism is here to stay. On the other hand, we are obsessed with cosmic catastrophes: the whole life on earth disintegrating, because of some virus, because of an asteroid hitting the earth, and so on. So the paradox is, that it's much easier to imagine the end of all life on earth than a much more modest radical change in capitalism (Taylor 2007).

The underlying assumption that capitalism and the configuration of capitalist relations will not change any time soon, as Žižek remarked above, is common to all the above shown financial literacy campaigns. Furthermore, in mirroring other neoliberal technologies, financial literacy education is performative, meaning that it is not observational or descriptive but actively shapes and formats the audiences' consumer-citizen lifestyle (see MacKenzie 2008). Moreover, it supports "(…) the destruction of alternatives to neoliberal capitalism while creating the ethical subjects neoliberalism requires" (Arthur 2013, 157). These subjects are then able and willing to pay off debts on time-although that might entail the financial literate individual to move back to his parents to reduce *needless* spending.

3. Lazzarato's concept of the *indebted man*

In the following chapter I will draw on the concept of the *indebted man* by Maurizio Lazzarato. He uses Deleuze and Guattari's comments on Nietzsche's *Genealogy of Morality*, and the original, for the first parts of his Essay *The making of the Indebted Man*. Lazzarato's concept adds a substantial theoretical foundation to my subsequent concept of the *financial citizen*, by exploring the debtor-creditor relationship as a product of power relations. Furthermore he argues that the so called debt economy, a new form of the neoliberal economy or "finance viewed from the subjective position of the debtor" (Lazzarato 2012, 24), has deprived a vast majority of Europeans of political power, that has already been reduced through the concessions of representative democracy (Lazzarato 2012, 8). Moreover I will also explore Lazzarato's hypothesis, that "…debt represents an economic relationship inseparable from the production of the debtor subject and his 'morality'" (Lazzarato 2012, 11). The combination of labor and "work on the self", in the sense that "ethics" and economy functions conjointly, is a unique feature of the debt economy, argues Lazzarato in the foreword of this *Essay on the Neoliberal Condition*.

Neoliberalism has seen a number of major turning points in its rather short history: The recent financial crisis beginning in 2007, the dot-com bubble burst from 1999-2001 and the oil crisis of 1979. The latter, also called the "shock" of 1979, triggered a buildup of enormous public deficits following the rise of nominal rates from 9% to 20% (Lazzarato 2012, 26). These high rates not only created previously unseen public debt but, within the general expansion of financial markets, also household debt. Lazzarato argues that in order to manage the ever-growing state debt, the state itself not only opened financial markets but also assisted in creating structures and bodies needed for them to succeed. To illustrate this development one only has to look at the exploding debt rates of average households in the United States. According to statistics the household debt tripled in the period of 1980 to 2005, from $40,000 to $130,000 (Harvey 2011, 17) as a result of stagnating or declining real wages after 1980. This stagnation and decline of wages resulted in deficit in effective demand and was countered by an ever-growing credit system, which was subsidizing and encouraging people and corporations to go into debt. Till the 1990s credit was mostly given to workers who were steadily employed. But "(…) the market became exhausted by the 1990s and credit had to be extended to those with lower incomes" (Flisfeder 2013, 53). Therefor political pressure was put on financial institutions to loosen credit for the *poor*, the ones without steady incomes and low wage jobs. Without this extension of financing "(…) who would have bought all the new houses and condominiums the debt-financed property developers were building" (Harvey 2011, 17)? Flisfeder notes that: "Financial institutions were debt-financing both developers and buyers, and thus supply and demand" (Flisfeder 2013, 53).

The solution, increasing the amount of credit provided to consumers, resulted in a shift towards credit-based consumption: "In the U.S., the largest family purchases (a house, a car and maintenance, education expenses) are made on credit. But consumption runs on debt even for everyday purchases, quite often paid for with a credit card" (Lazzarato 2012, 19). This everyday credit funded consumption creates a creditor-debtor relation, which materializes hidden and tucked away in our wallets, purses and pockets - magnetically stipulated on a growing number of credit cards. Lazzarato calls the credit card " (…) the simplest way to transform its owner into a permanent debtor, an 'indebted man' for life" (Lazzarato 2012, 20). The qualitative difference between a consumer credit, granted (or not) on explicit request, and the credit card system is the institutionalization of a permanent debt structure. Once owning a credit card, the credit card automates personalized credit, activated by just using it. Compared to getting a consumer credit by going to a bank and talking to an employee, paying by credit card is extremely simple–swiping or inserting the card into a terminal, signing the receipt or typing a four digit code into the terminal. Receiving an advance on income month by month and being a permanent debtor to a financial or banking entity go hand in hand (Haesler 1995, 282).

To further investigate Lazzarato's notion of the *indebted man* it is necessary to take a closer look at debt and credit itself. The following example is meant to illustrate the overwhelming presence and impact of debt and credit in current political and social discussions. Before being replaced by the European refugee crisis, the Greek debt crisis was dominating the headlines of international, European and especially German newspapers for months. The question whether Greece remains in the *Eurozone* or if the so called Grexit, a legally very questionable case of a Greek exit, was inevitable, was presented as a question of whether the Greek government could present reforms to meet debt obligations or not. In the opinion section of *The New York Times* Paul Krugman calls the negotiation process an ”(…) utterly irresponsible campaign of financial intimidation waged by Germany and its allies” (Krugman 2015). It is noteworthy that Krugman, a renowned American economist and winner of the *Nobel Price in Economics*, is using a terminology that can be easily understood as a World War II reference to describe a negotiation about debt relief programs, and underlying, imposing neoliberal economic restructuring policies. Furthermore, Krugman claims that “(…) substantive surrender isn’t enough for Germany, which wants regime change and total humiliation (…)” (Krugman 2015). One has to keep in mind that Krugman writes about a serious economic and debt crisis that seemed to threaten Europe’s stability and unity, but definitely not about a case of full-blown war. And yet, although he is not talking about conventional war with tanks and soldiers on the ground, he is talking about the emerging kind of warfare: *economic warfare*. Slavoj Žižek’s remark in the *New Statesman*, “[t]he lesson of the Greek Crisis is that Capital, though ultimately a symbolic fiction, is our Real” (Žižek 2015) sums up the inescapable reality of the profound and far reaching cultural shifts of *financialization* as well as how the logic of finance shapes public policy (Haiven and Berland 2014, 8). Leaving the case of an indebted country aside and going back to Lazzarato’s *indebted man*, it is important to grasp the origins of debt.

David Graber calls consumer debt “(…) the lifeblood of our economy” and writes that “[d]ebt has come to be the central issue of international politics” (Graeber 2011, 5f). So, where does the concept of debt originate from, what is debt and what is credit? In it’s most basic sense, Lazzarato writes, debt is a promise of a payment, while a financial asset or a share is a promise of future value (Lazzarato 2012, 39). Lazzarato uses Nietzsche’s *Second Essay: ‘Guilt’, ‘bad conscience’ and related matters,* to further investigate the key role debt plays in the “constitution of society and domestication of man” (Lazzarato 2012, 39). Nietzsche’s essay starts with the question of creation of man or how "[t]o breed an animal with the prerogative to *promise* – is that not precisely the paradoxical task which nature has set herself with regard to humankind" (Nietzsche 2007, 35)? The creation of a person which is capable of promising and furthermore, keeping the promise and thereby is answerable to his own future "…means constructing a memory for him, endowing him with interiority, a conscience, which provide a bulwark against forgetting" (Lazzarato 2012, 40). Debt can therefore be seen as something that makes man capable of having a certain degree of domination over the future and, consequently, making it his own future – a man-made future. Additionally the act of granting credit "(…) requires one to estimate that which is inestimable-future behaviour and events - and to expose oneself to the uncertainty of time. The system of debt must therefore neutralize time, that is, the risk inherent to it" (Lazzarato 2012, 45). For Nietzsche the idea of debt originates in an enforceable relation between individuals and became the controlling and relentless power it is today. He writes that debt is rooted in the idea that there is an equivalent for any inflicted injury in the form of a compensation that can be paid (Nietzsche 2007, 40). Nietzsche continues by asking:

> And where did this primeval, deeply-rooted and perhaps now ineradicable idea gain its power, this idea of an equivalence between injury and pain? I have already let it out: in the contractual relationship between *creditor* and *debtor*, which is as old as the very conception of a 'legal subject' and itself refers back to the basic forms of buying, selling, bartering, trade and traffic (Nietzsche 2007, 40).

Creating a memory for the person who made the promise to pay back debt and making him take responsibility for the debt is essential for the creation of the individual subject that is accountable and indebted to his creditor. Therefore, following Lazzarato, the assurance to pay back debt not only entails and presupposes a "(…) "mnemotechnics" of cruelty and a mnemotechnics of pain, which (…) inscribe the promise of debt repayment on the body itself" (Lazzarato 2012, 41) but also "[d]ebt(…) implies subjectivation, what Nietzsche calls the -labor of man on himself-, a -self-torture-" (Lazzarato 2012, 42). Nietzsche's argument that debts (Schulden) existed before and led to the concept of guilt (Schuld) hints at the finding that "(…) our morality and internalized ethical dispositions appear universal and natural but in actuality we have created values and dispositions, which empower and limit us in certain ways" (Arthur 2013, 149). David Graeber adds to the above-cited definitions of debt a radical, but in the context fitting definition: "A debt is just a perversion of a promise. It is a promise corrupted by both math and violence" (Graeber 2011, 391).

Today's economy, Lazzarato calls it *debt economy*, is overshadowed and mainly inseparable from financial constructs such as derivatives, futures and debt obligations. The creditor-debtor relationship described by Nietzsche, established a subjective paradigm, "in which 'labour' is coupled with 'work on the self', in which economic activity and the ethico-political activity of producing the subject go hand in hand" (Lazzarato 2012, 38). This relationship is without question an economy that is inseparably linked to an *ethics*,

> (…) it presupposes, in order for the debtor to stand as self-guarantor, an ethico-political process of constructing a subjectivity endowed with the memory, a conscience, and a morality that forces him to be both accountable and guilty. Economic production and the production of subjectivity, labor and ethics, are indissociable (Lazzarato 2012, 49).

A western capitalist society requires that the individual seeks to become an economic *subject* with a calculating attitude and the overall will to celebrate self-management and display self-mastery. Jane I. Guyer gives an excellent description of this emerging individual, describing it as "a strange new economic subject: one who can be rational, submissive, ingenious, and infinitely desirous all at the same time" (Guyer 2007, 413). In the following chapter I will closely analyze some of these individuals, the ones considering themselves as the *spearhead* of today's financial economy, the *doers* and masters of self-mastery: Risk takers on Wall Street and the Chicago Board of Trade and financial risk assessors in Zurich.

4. Risk takers in the word of finance

When I enter the word "risk" in the search field of my University's online library catalogue I get 2,365,778 results. "Jesus" on the other hand has only 337,932 results. When I look at the weather app on my smartphone I get an hourly percentage of probability or risk of rain. Angelina Jolie made headlines in 2013 for undergoing a preventive double mastectomy because of her 87% risk of getting breast cancer (CBS News 2013). She claimed the operation would reduce the risk to just 5%. Germany, or more precisely Berlin, is currently fighting the biggest measles outbreak in 14 years. As a result several schools in the German capital were temporarily closed and unvaccinated pupils were excluded from attending. The lawfulness of this measure was confirmed by an administration court stating that the measure will substantially reduce the risk of infection (Verwaltungsgericht Berlin 2015). Ulrich Beck gives a precise explanation that can be used to frame such an incident: "(…) the category of risk consumes and transforms everything. If a group represents a risk, its other features disappear and it becomes defined by this risk. It is marginalized and threatened with exclusion" (Beck 2009). The concept of risk does not stop at health related issues but seems to have penetrated every part of our society.

This short paragraph of introduction to this section is intended to show how overwhelmingly present risk in our daily life appears to be. Rarely a day passes without some coverage of risk issues by mass media followed by questions on how risks should be managed or governed. The Encyclopedia of Governance states that: "[i]n General, the assumption is that risk, treated as an objective phenomenon can be assessed using scientific techniques that reveal their deepest, most complex secrets to the best scientific minds" (*Encyclopedia of Governance* 2006, 839). So who is this *elite,* constantly searching for the best formulas to master risk? One self-proclaimed elitist group and arguably responsible for today's omnipresence of risk is working in the finance sector. In this part I do not want to focus on health related risk issues but on the groups who embrace risks as a fundamental part of their job routine: professional risk takers such as futures traders and financial analysts.

In the first part of this chapter I will approach the concept of risk and the fundamental change it inflicted upon our society. To give a theoretical introduction and a framework I will use Ulrich Beck's *Critical Theory of World Risk Society: A Cosmopolitan Vision* from March 2008 and his book *Risk Society*, "(…) one of the most influential European works of social analysis in the late twentieth century" (Beck 1992, 1), published in Germany in 1986 under the name *Risikogesellschaft*. Moreover, I will use Anthony Giddens' short book *Runaway World* to further embrace the relation between modern capitalism, risk and time. I will present their concepts and findings in a condensed and applicable form for the following reflection on anthropological field work in the banking and trading sector focusing on individuals dealing with risk, uncertainty and performativity. Therefore I will present, analyze and compare anthropological fieldwork of two different scholars: Caitlin Zaloom and her fieldwork at the Chicago Board of Trade (CBOT) in *The Productive Life of Risk* (Zaloom 2004). And Stefan Leins' article *Pricing the Revolution* and his contribution to the book *Qualitative Research in Gambling: Exploring the production and consumption of risk* with the title: *Playing the market? The role of risk, uncertainty and authority in the construction of stock market forecasts* (Leins 2011; Leins 2013).

4.1 The concept of *risk*

I am aware that Beck's and Giddens' key concepts of risk are metatheories and do not, or only to some extent, cover active, deliberate and voluntary engagement with risk. Nevertheless I found their concepts very insightful for this part of the thesis and therefore will utilize their writings below.

The idea of risk appears to have emerged amongst western explorers in the 16th and 17th century and was then used to refer to sailing into unknown and dangerous waters. Anthony Giddens notes that risk originally had an orientation to space and later only became transferred to time, used in banking and investment, to mean calculation of the probable consequences of investment decisions for borrowers and lenders(see Giddens 2002). A future oriented society; a society that actively tries to break away from it's past and believes in a humanly engineered future, *in nuce* a modern industrial society, is inseparably linked to the concept of risk. Giddens defines risk as "(…) hazards that are actively assessed in relation to future possibilities" (Giddens 2002, 22). Ulrich Beck adds another layer to the concept by defining risk "(…) as a systematic way of dealing with hazard and insecurities induced and introduced by modernization itself" (Beck 1992, 21). Fate, luck or will of gods are increasingly substituted by risk, the man made mobilizing dynamic of a society bent on change. Modern capitalism embraces the future like none other former economic system by calculating and depending on a seemingly clear concept and knowledge of future profits and losses. Risk management systems like the welfare state, private insurances and the trade in futures are basically trading and off-loading of risks, a fundamental and basic feature of capitalism, which I will discuss in detail in subchapter 5.2.

In modern capitalism risk has become manageable, quantifiable and sellable. The commercialization of today's risks and what Ulrich Beck calls civilization-risks are unsatisfiable, self-producible and infinite, therefore insatiable and perfect demands for a capitalist system, inherently relying on growth and creating needs that can be met. Moreover, risks are open to social definition and knowledge but largely remain invisible until a major incident like Chernobyl or the last Financial Crisis drag these hidden risks to the surface. Even then risks can be changed, magnified, minimized, dramatized and remain objects under construction (Beck 1992, 23). The BSE scandal and the wrong, and later corrected, risk evaluation regarding consumption of contaminated beef by the British Government and issuing high risk subprime loans and bundling these with low risk regular mortgages are famous examples of risk conception volatility.

There is no doubt that Ulrich Beck's thesis about the transition from a 'wealth-distributing' society towards a 'risk-distributing' society is widely applicable and a very accurate evaluation. Especially after Thomas Piketty published his analysis of wealth and income distribution in his highly praised book *Capital in the 21st Century* published 2014. He proved with an extensive data collection that today's economy generates extreme inequalities and definitely does not distribute wealth evenly. I might add that Piketty is an economist with an outstanding reputation, Professor at the Paris School of Economics and stating that economists "(…) must set aside their contempt for other disciplines and their absurd claim to greater scientific legitimacy, despite the fact that they know almost nothing about anything," in his introduction (Piketty 2014, 32). I will show later how accurate this statement is, when looking into Stefan Leins' research on financial analysts, using nearly no economic theory for their work. While modern capitalism may not create equality it definitely creates a self-proclaimed elite of financial experts, which benefit heavily from their ability to engage with risks, this "wholesale product of industrialization (…) systematically intensified as it becomes global" (Beck 1992, 21).

To further narrow down the concept of risk I quote a part of Beck's 2008 text, which I think is very useful to shed light on the theoretical essence of the main object financial elites are working with. Risk is:

> Existent and non-existent: Risk is not the same as catastrophe, but the anticipation of the future catastrophe in the presence. As a result, risk leads a dubious, insidious, would-be, fictitious, allusive existence: it is existent and non-existent, present and absent, doubtful and real (Beck 2009).

Although risk might have the above-mentioned properties, real money is being made using it; a lot of money. Risk always has the potential to turn into a crisis and it seems that risk reaps the more reward the closer a crisis appears to be. Risk and crisis per se create movement and can be seen as the opposite of stagnation or standstill. For the banking and trading industry there is nothing worse than a deadlock. A striking example of the financial benefits a crisis can have, would be the 9/11 attacks. Prices for commodities like gold, silver and oil spiked upwards and generated huge profits for (some) traders and their clients. The commodities trader Carlton Brown is interviewed in the 2003 movie *The Corporation,* chattily giving a remarkable insight into the state of mind of his profession:

> I will tell you, and every trader will tell you who was not in that building [WTC] and who was buying gold and who owned gold and silver, that when it [9/11] happened, the first thing you thought about was: Well, how much is gold up? The first thing that came to mind was: My god! Gold must be exploding. Fortunately for us, all our clients were in gold. So when it went up, they all doubled their money. Everybody doubled their money. It was a blessing in disguise (Achbar and Abbott 2004, 00:55:02–00:55:32).

In the following subchapter I will focus on the ones who enjoy the financial benefit of the apparent fixation on risks, the risk-practitioners.

4.2 The risk-practitioners

4.2.1 Financial Futures Traders

Caitlin Zaloom, Associate Professor of Social and Cultural Analysis at New York University, wrote the superb ethnography *Out of the Pits. Traders and Technology from Chicago to London* (Zaloom 2006) about her fieldwork at the Chicago Board of

Trade (CBOT). I will focus on the article *The Productive Life of Risk* (Zaloom 2004) to show how financial futures traders are incorporating and defining themselves through their engagement with risk. In my introduction I have shown how citizens in a modern nation state intuitively think that they have a moral right not to be put at risk. Quite the contrary is true for traders. In the following paragraphs I will present how taking risk and being put at risk is essential and defines their professional being and success.

The CBOT is a major exchange for financial futures, a derivative product originally invented to mitigate risks in the trade of commodities like grain, rice and others. Farmers could lock the price they would receive for their product in advance, therefore neutralizing potential hazardous events that would generate loss. Future profits become knowable and therefore projectable. It is a site that provides tools and contracts to shift danger and potential of the market from its clients, the farmers, to speculators. Financial hazards can be distributed to traders, displaying a risk-taking self to their competitors and the market, working in a clearly defined market sphere, the pit (Zaloom 2004, 367). The pit is an octagonal structure, were the so-called open-outcry trading is taking place. It resembles a modern arena, where actors are competing for money, respect and economic survival. Within the pit brokers execute orders from outside the pit and trade with locals, who assure the functioning of the market place by simply trading with them: "For every buyer there's a seller. And for every money manager who is willing to bet that the market is going to fall, there is a local who will trade with him" (Zaloom 2004, 373). This situation makes it very clear that there is no general question about risk taking, but about who, when and how much.

Taking risk is being used as a strategy to gain social status and functions as a key trading resource: "Measurement of risk taking between big and small traders organize a physical geography of the trading floor" (Zaloom 2004, 374). Traders are measured in 'size'. Big traders, the one who do 'size', are being carefully watched and develop their authority inside the pit by constantly taking risk and showing it. Getting there, literally moving up the steps of the pit requires self-disciplinary measures that are very specific for the financial trading sector. Essential is the absolute inner sense of presence, the complete immersion into the moment. Doubt and reflection on past actions or trades are obstacles that are said to hinder the connection between the trader and the market. The goal is not to think about the market but to be the market, feeling it and riding along with it. Separating the outside world and life from the trading floor and create an attitude of acute alertness towards their actions is another strategy that is deployed. Finally, as Zaloom quotes one of her interview partners, these techniques enable a trader to "(…) experience the market and become a part of a living thing, intimately connected to it" (Zaloom 2004, 379). Being able to perform in an environment defined by risk taking and handling is vital to gain the needed respect from fellow traders and brokers. To not crumble under the pressure of possible financial losses is very important to create a successful trading personality in the pit.

Self-discipline is essential for turning risk into profit on the trading floor. Traders are in a constant state of crisis, but thanks to elaborated techniques of control and a well organized and structured surrounding turn this into a productive condition. The famous Swiss novelist Max Frisch once made the very suitable comment: "Die Krise ist ein produktiver Zustand. Man muss ihm nur den Beigeschmack der Katastrophe nehmen." [Crisis is a productive condition. One just has to get rid of the aftertaste of catastrophe.] Strategies of risk taking are a core element of a dynamic economy and an innovative society, resulting in a diversity of new situations of risk (Giddens 2002, 25). In the pit risks are institutionalized and cast in contracts and binding agreements. Therefore risk becomes a productive entity that can be performed by traders.

In the world of finance traders are not the only ones that willingly expose themself to risk and professionalize the act of dealing with risk itself. Another group of professionals in the sphere of dealing with financial risks are financial analysts. These self-proclaimed specialists working for international investment banks evaluate whether certain incidents, happening in a predefined area, will have consequences for the investment of their clients and therefore pose risks. Following I will focus on financial analysts and their risk assessing process.

4.2.2 Financial Analysts

In the following chapter I will present my analysis of Stefan Leins' two-year anthropological fieldwork at an international bank based in Zurich. At that time Stefan Leins was a PhD candidate at the University of Zurich. The focus here lies on financial analysts, the professionals who evaluate risk to finally provide analysis for the bank's private clients. How is risk assessed, what do analysts take into consideration and who has influence on their final verdict. I will focus on one article, *Pricing the Revolution,* published in *Anthropology Today,* and one more: *Playing the market? The role of risk, uncertainty and authority in the construction of stock market forecasts*.

Stefan Leins worked at the Swiss bank's research department bank during the so-called Arab Spring and focuses especially on their evaluation of the Egyptian uprising, which started on January 25th, 2011. During the financial crisis many financial institutions shifted their assets to emerging markets in search for higher profits. *MENA* (Middle East and North Africa) was one of these markets and many of the banks' clients had invested in the area, hence there was a great need to give a 'correct' analysis to their clients. It is clear that the event represents a great economic risk for the bank and must be dealt with. While futures traders seem to evaluate risk on their own in the moment itself and develop strategies to cope with risk taking, it is clear that an institution needs to employ different strategies. So how is an evaluation of an event, such as the Egyptian uprising, developed? How is uncertainty, which is created by such an unexpected event, dealt with in the financial world of risk, analysis and advice to clients?

Financial analysts rely on a vast array of sources for their evaluation: Regular news agencies, external financial analyst, Bloomberg Terminals, a computer system that provides real-time financial market data, and political experts. Interestingly these political experts, in this case a former British ambassador to Egypt and a former British prime minister, only gave rather superficial and obvious analysis, but played an influential role in shaping the discourse. Leins writes:

> (…) the importance of these two people in this context did not lie primarily in the political insights they could offer, but rather in their status as experts. Their statements were received by the financial analysts as expert opinions, which the analysts used to reaffirm or revise their own perspectives on the ongoing political turmoil (Leins 2011, 13).

Analysts also consulted 'hard-data', provided by institutions like the IMF, World Bank and the UN, like inflation of food prices, GDP per capita and unemployment rates amongst youth. The data sets were taken into account to evaluate the situation in neighboring countries and to assess whether a similar situation could occur. Furthermore, analysts were concerned with what exactly had happened, in the sense of framing the event. The term *black swan*, an invention by Nassim Nicholas Taleb to name highly unexpected events, was used in order to transform "(…) the apparently unexplainable into something that was at least namable, the irregular into something almost regular" (Leins 2011, 13). This apparently small act gives good insight into the evaluation process of financial analysts: It is clear that an extraordinary event, that has no definition in economic terms, can't be evaluated and analyzed. The terms used in the News like *Egypt's day of rage, Egypt's uprising* and alike are not very suitable and therefore can be used neither internally nor in the bank's official statement given to its clients. The first step to engage with risk and therefore already mitigating it is simply to name it.

The interpretation of the future market risk leads to rather simple financial advice for clients: *Buy*, *sell* or *hold*. Therefore, narratives that unify elements of the social sphere, authoritarian appearance and calculative processes are created to support the *investment stories, (Leins 2013, 219)* that finally lead to this advice. The great deal of uncertainty, which cannot be expressed in numbers or narratives, posed by the Egyptian Revolution has to be transformed into something that can be calculated and, maybe even more important for clients, narrated such as risk. While pure numbers do not tell stories, numbers can be used to reinforce stories. A well narrated forecast is a tool for analysts to: "(…) fix reference points that allow investors to deal with risk and uncertainty as a single category" (Leins 2013, 229). The developments in Egypt have to be incorporated into the financial analysis; they have been 'priced'. Creating a future vision for investors and actively shaping the future for these clients helps them to decide how to invest and which risks to take. Financial analysts are narrators of risk: “They create futures that are sold to investors to facilitate decision making in the present” (Leins 2013, 220). Analysts create bridges towards the future by transforming information into meaning for the bank and their clients. The will to describe the future is defined by German sociologist Niklas Luhmann as setting reference points in order to facilitate taking action in the present. The active engagement with the future by narrating risk is essential for financial analysts.

5. Disciplining and Punishing *Financial Citizens*

The cover of *Newsweek's* edition from April 2, 2014 shows an extended finger above a control board with three red buttons, each is marked by a pictogram: A missile, a dollar sign and a tank. The background is striped in yellow and black. The cover immediately triggers pictures of the iconic *War Room* in the movie *Dr. Strangelove: Or How I Learned to Stop Worrying and Love the Bomb,* any James Bond nemesis' control room and the like. The finger seems to push the button in the middle: the one marked by the dollar sign. "The Art of Financial Warfare: How the West Is Pushing Putin's Buttons" is the edition's headline. Financial warfare is portrayed as an equal to traditional physical technologies of war. In the following part I will not use the term financial *warfare* since I will not analyze a strategy of war against an enemy but a body of punitive measures. I will use financial sanctions since this term represents a broader spectrum of applications and includes both foreigners and natives. My definition of financial sanctions includes punishment that result from an active engagement of individuals with the financial market. These can be monetary penalty, evictions, incarceration, stigmatization and so on.

In this part I will analyze financial sanctions from three different perspectives: First I will use Foucault's book *Discipline and Punish,* or more precisely, the chapter Punishment and Panopticism, to give a framework to this method of punishment. Moreover, I will show how basic principles and the development of sanctions can be traced back to 18th century criminal justice and penalty reforms described and analyzed by Foucault. In *The Foucault Effect* Colin Gordon writes: "(…) these programs of reform center on the effort to improve the intrinsic effectiveness of penal law and to ensure the grater adequacy of legal institutions to the conditions of a commercial society" (Burchill, Gordon, and Miller 1991, 24). I will show how financial sanctions can be described as a vital and growing part of a political anatomy "(…) which seeks to control delinquency by a calculated economy of punishments" (Foucault 1979, 103). Sanctions, more precisely the ones targeted at individuals and specially aiming at blocking bank accounts, imposing travel restrictions and such, fit in the general development of a society that "(…) is one not of spectacle, but of surveillance" (Foucault 1979, 217). Although the mechanism of *panopticism* stretches much further, I will show that financial sanctions can be seen as a part of it. They can bring the effects of power to the most minute and distant elements, whilst exercising the power at the lowest cost.

Second I will focus on *Biological Citizens,* chapter five of Nikolas Rose's book *The Politics of Life Itself*. While reading *Biological Citizens* and doing research on Obama's executive orders regarding financial sanctions I started to ask myself, if Rose's concept of *Biological Citizen* could be applied to the world of finance. I remembered the event, when I was surprised by the impressive surveillance abilities of financial service providers for the first time. The following anecdote coming from my own personal observation is meant to illustrate those abilities. Once I was standing in line behind a man who bought some shoes with his credit card. Literally two seconds after he entered his pin code into the terminal, his phone rang. An employee of his credit card company was on the line, asking whether he himself made the payment. It turned out that the man was on vacation and normally worked and only used this credit card in China. This *irregularity* popped up in the credit card company's system and triggered a call. In this moment he was first of all a *financial being*, supervised and protected by a company offering financial services. Bearing this incident in mind, I started to exchange the term *biological* with *financial* and to my surprise it worked out rather well. To further evolve the concept of a *Financial Citizen* I will go into more detail and further look into Rose's concept in order to see if it can be applied to the sphere where the world of finance and citizenship meet.

In the last part of this chapter I will focus on Loïc Wacquant's work on penalization of poverty in the context of American neoliberalism. I found his "historical anthropology of actually existing neoliberalism" (Wacquant 2012, 67) very useful for my analysis of the *financial self* and how it can be considered a fruitful target of discipline and penal intervention. In this part I want to show that financial sanctions can be considered to be a vital part in the toolkit of modern art of punishment for neoliberal western democracies.

5.1 Discipline and Punish in the Realm of Financial Markets

In the following I will use Michel Foucault's description and analysis of the changes in the art of punishment and his study of panopticism in order to apply it to financial sanctioning and punishment. The general trend of punishing in the 18^{th} century, the *reform*, as it was formulated by authorities and theories of law, went toward establishing punishment and repression of illegalities as a regular function (Foucault 1979, 82). The spectacle of the scaffold was slowly abolished and replaced by a form of punishment that was penetrating deeper into the social body. Foucault calls this new form "(…) a new 'economy' of the power to punish, to assure the better distribution (…) capable of operating everywhere, in a continuous way, down to the finest grain of the social body" (1979, 80). A closer penal mapping of the social body, a more finely tuned justice and the increase of the intolerance to economic offences emerged and can be observed when I analyze financial punishment later on. The mechanisms employed in this new *economy* of the power to punish intended a reduction of economic and political costs by increasing its effectiveness, the regularization and universalizing of the art of punishing and a homogenization of its application (Foucault 1979, 89). The shift from vengeance of the sovereign toward a protection and defense of society entails that the enemy comes from within the society. Not the sovereign but the society is in danger; harm is inflicted on the whole social body and is countered by a boundless penalty "(…) a terrible 'super power'" (Foucault 1979, 90) that again needs to be moderated and controlled. A calculated and sensible penal system that is (ideally) able to determine the offence's influence on society is emerging. Future disorders caused by the crime and the imitation of it have to be prevented and become the focus of penal law. In the case of financial sanctions, this development seems to make *systemic* sense in so far as a capitalist system is based on trust in money and money's worth. It is essential for a capitalist society that credit, loans, mortgages and interests are paid back so that the system remains valid and trusted in. Graeber confirms my claim, writing that: "(…) market populism is always riddled with paradoxes, because it still does depend to some degree on the existence of the state, and above all, because it requires founding market relations, ultimately, in something other than sheer calculation: in the codes of honor, trust and ultimately community and mutual aid (…)" (Graeber 2011, 385).

This circumstance is well visualized in today's discussions about the *Greek Crisis*: Headlines and news are constantly covering Greece's financial ability or disability to pay back debt, how many days the Greek government has left to pay and how critical it is going to be this time. Punishment for not paying back debt would be exclusion from the Eurozone or short: *Grexit*. Becoming the outcast seems to be a valid form of punishment for simply being unable to pay debts. While punishment for not paying back debt is not per se new, take for instance the German *Schuldturm,* I am claiming that the universality and omnipresence of disciplining and punishing financial misbehavior is.

Certain *techniques of power* or *power/knowledge* relationships are designed to observe, monitor, shape and control the behavior of individuals situated within the social and in economic institutions (Burchill, Gordon, and Miller 1991, 3). In Foucault's essay *The Subject and Power* he describes power as "(…) a way in which certain actions modify others" (Foucault 1982, 789). Furthermore,

> (…) what defines a relationship of power is that it is a mode of action which does not act directly and immediately on others. Instead it acts upon their actions: an action upon an action, on existing actions or on those which may arise in the present or the future (Foucault 1982, 789).

The one over whom power is exercised, in this case the person in debt or struggling with payment plans, has to be fully recognized and maintained to the end as a person who acts. Individuals under financial pressure do show a will of self-regulation and self-management by actively seeking help and trying to avoid any kind of negative consequences because of their situation. Here we can observe, what Foucault considers an idea of power that takes freedom itself and the *soul of the citizen*, the life and life-conduct of the ethically free subject as the correlative object of its own suasive capacity (Burchill, Gordon, and Miller 1991, 5).

The power of discipline is analysis, writes Foucault at the end of the part about the town affected by the plague in the chapter *Panopticism* in *Discipline and Punish*. Modern disciplinary mechanisms, which can be observed when looking at the realm of financial markets, are broken down into flexible, adaptable and transferable methods of control. Foucault describes Panopticism and the panoptic mechanism as "(…) not simply a hinge, a point of exchange between a mechanism of power and function; it is a way of making power relations function in a function, and making a function function through these power relations" (Foucault 1979, 206f). Punishment is only one part of a double-system of gratification and punishment, of training and correction and of behavior and performance. The making of useful individuals that are rooted in the central and most productive sectors of society is an essential outcome of the above-mentioned analysis. Forming a body of knowledge about them, using subtle calculated technics, which are integrated into a productive efficiency and exercising power at a low level of cost are hints at a panoptic schema at work. It is feasible to see this particular method of discipline as: very economic, it involves only low expenditures and as politically discrete, by the low exteriorization it involves and the little resistance it arouses (Foucault 1982, 218). The financial market, getting more and more dominant in our economic and social society, is a good object of investigation.

5.2 Financial Subjectivity under Construction: A new *Financial Citizen?*

Obviously there is a not only a *biomedical self* employing a set of techniques to manage life in relation to a medical condition and seeking expert opinion (Rose 2007, 146), but also a *financial self* that has to deal with (multiple) credit cards, interest rates, mortgages, fines and so on. Of course there are limitations applying the concept of *Biological Citizens* to financial matters, but "'[m]aking up citizens' has involved the reshaping of the way in which persons are understood by authorities (…)" (Rose 2007, 140) also holds true for individuals that are targeted by financial sanctions. Freezing assets and bank accounts, denying credit card payments and investments for affected foreigners is certainly a classification that unifies and divides, that "(…) delimits the boundaries of those who get treated in a certain way - in punishment, therapy, employment, security, benefit or reward" (Rose 2007, 140). Medical and biological languages by which citizens are categorized, or even classify themselves, can be replaced by financial terminology. In the case of financial sanctions towards foes, blacklisted individuals are mostly citizens of foreign countries. Nevertheless, this can create a relation between them, which did not exist before. Financial Warfare overrides differences of nationality, color, religion and such, but seems to unify those who become targets of the US Treasury Department's Office of Terrorism and Financial Intelligence (TFI). Instead of describing themselves in biological terms, sanctioned individuals, especially visible during the ongoing Ukraine crisis, develop even a certain pride while reflecting their status. While Dmitry Rogozin, Russian Deputy Prime Minster reacted to being sanctioned by the US with a tweet stating: "Comrade @BarackObama what should do those who have neither accounts or property abroad? Or U didn't think about it?" (Radia 2014), senator McCain also used Twitter and financial language after being sanctioned by Russia: "I guess this means my spring break in Siberia is off, Gazprom stock is lost and secret bank account in Moscow is frozen (…)" (McCain 2014).

The more I engaged with the topic the more I realized that the concept of financial punishment is much broader than just a set of tools employed to punish a foreign power. Financial sanctions are not only employed whenever traditional methods of war, invasions, missile strikes and so on, are not feasible because of incalculable risks such as breaking international law, causing severe diplomatic ruptures and nuclear retaliation.

There are a growing number of individuals who partly define and unify themselves through their financial status. Some through luxury credit cards, bonus miles or credit scores, others through financial hardships. One example would be credit cards like the American Express Centurion Card, which is invitation - only and issued to high net worth individuals. It comes with a vast number of elite club memberships, insurances, concierge services and many other benefits. On the other side are movements like *Plataforma de Afectados por la Hipoteca* (PAH), formed by citizens, who were affected by the financial crisis, could not pay back mortgages and faced evictions. PAH aims at providing both emotional and practical help for people affected by rising mortgages and fees. Groups like this make demands on those who exercise authority, on their community and society. Quite like *Biological Citizenship* the concept of a *Financial Citizen* can "(…) embody a demand for particular protections, for the enactment or cessation of particular policies or actions or (…) access to special resources (…)" (Rose 2007, 133). Self-help groups like PAH are very similar to the ones that Rose describes under the term of *Biosiociality: Active Biological Citizens*. HIV/AIDS activists, the *Manic Depression Fellowship* and a vast number of other groups and associations are promoting distinct messages and form alliances to increase their visibility and impact on authorities. Another example of self-help groups on a much larger scale gives Adriana Petryna in her book *Life exposed. Biological citizens after Chernobyl* (Petryna 2013). While in Ukraine "(…) the damaged biology of a population has become grounds for social memberships and the basis for staking citizenship claims" (Petryna 2013, 5), I argue that the focus on biology can be replaced by a focus on financial statuses. Like *Active Biological Citizens, Financial Citizens* are forming organizations that offer legal advice, help lines, community meetings and develop partnerships with other organizations concerned with financial matters.

An interesting example in this area is the *subreddit personalfinance* (www.reddit.com/r/personalfinance/), followed by more then 2.5 million readers. This section of *reddit.com*, a very popular social networking and news website, is entirely used by *redditors* for managing their *financial self*. Discussion topics range from how to get out of (student-)debt, how to invest, which credit card to choose, budgeting issues and many more. Questions about whether to use the child's saved money for going to *Disneyland*, stories about going from *broke to flush* and advice for retirement plans are vividly discussed, rated (up-voted and down-voted) and compared. Another fitting example in the category of financial self-help and advising platforms is the website *Mr. Money Mustache* (www.mrmoneymustache.com). The website, run by a self-proclaimed thirty-something retiree, offers its visitors diverse tips and tricks to reduce spending, intelligent investment opportunities and actively promotes frugality. Basically the website offers a way of seeing every part of life in a financial context, in order to then either reduce *unnecessary* costs or completely abolish spending money in the described context. The ultimate goal is to retire as early as possible by investing and spending wisely. Both resemble (online) self-help and advice groups, very similar to the ones that Rose and Petryna describe. The identification with the rights and obligations of a *financial citizen* in an advanced liberal democracy seems to be unquestioned in this community of allegiance.

Financial Citizens are forming around these main developments in advanced liberal nations: Governing by numbers (see Rose 1991), stress on self responsibility (see Arthur 2013; Ho 2009), free markets and free trade (see Harvey 2007; Zaloom 2006; Zaloom 2004) and the re-management of populations (see Ong 2007). States, where governments were strongly influenced by neoliberal ideas, such as the United States of America and the United Kingdom, actively fabricate the subjectivities and collective representations that are suited to making the fiction of markets real and consequential (Wacquant 2012, 68). While Rose claims that "(...) active biological citizens are redefining what it means to be human today" (Rose 2007, 154), I would not go so far as to as to say that *financial citizens* are redefining what it means to be human. But, looking at the iconic MasterCard advertising campaign, "There are some things money can't buy. For Everything Else, there's MasterCard", actively identifying as a *financial citizens* helps with almost everything that is revolving around human well-being. Following Aihwa Ong's essay *Neoliberalism as a mobile technology* (Ong 2007), the individuals I described above live in the context of neoliberalism, seen as a technology of governing "free subjects" of "governing through freedom, that requires people to be free and self managing in different spheres of life (…)" (Ong 2007, 4). The *financial citizen* fits in Ong's description, as this individual is a self-actualizing and self-enterprising subject, that makes calculated choices in a seemingly perfect and self regulated environment for every aspect of life.

5.3 The *Market* way to Punish

Financial sanctions seem to form a vital part of "(…) the domestic implementation and transborder diffusion of the neoliberal project, the 'iron fist' of the penal state mating with the 'invisible hand' of the market (…)" (Wacquant 2012, 67). Imposing financial penalties is not per se a new development or conduct, but bureaucratic techniques like the audit (see Strathern 2000), punctuated time such as dated schedules (see Guyer 2007), performance indicators and benchmarks are spilling over from the economy into disciplinary and other institutions. In the scope of neoliberal adjustments of state conduct, financial sanctions can be seen as part of "(…) governing through calculation (…)" and "(…) as a technique that is fundamentally about re-management of populations" (Ong 2007, 4). Wacquant considers the state as actively re-regulating, instead of deregulating, to favor corporations with corrective and constructive measures to support and increase markets. The financial market is without doubt the one that benefitted the most of this re-regulation. It penetrates and determines most of our daily life in one-way or another. It creates a highly paid elite of professionals like Wall Street bankers, completely detached from the *regular* economy but with excessive powers. This led to a permeation of what I would call *market thinking* into other modes of organization. Well visible is this in Karen Ho's work on investment bankers on Wall Street (Ho 2009). In one interview she conducted during her fieldwork, the interviewee, a banker working in corporate finance, claims that: "We've made everyone smarter. We know much more about how global competition works, about how to create efficiency. Before, in the 1970s, corporations were so sloppy; now they are advanced (…)" (Ho 2009, 186). The neoliberal ideal that human well being can best be achieved and later advanced by liberating individual entrepreneurial freedoms includes the highly praised benefits and downplayed hazards of financial products.

Wacquant uses Bourdieu's concept of bureaucratic field to create a framework where "(…) punitive shifts in welfare and penal policies (…) have converged to establish a 'double regulation' of advanced marginality through supervisory workfare and castigatory prisonfare" (Wacquant 2012, 73). This *advanced marginality* can also be seen as a result of financial punishing that can easily lead to criminal sanctions and imprisonment. Taking for example the last global financial crisis, which started with the collapse of the subprime lending market and resulted in the eviction of families due to the inability to pay mortgages, fines and credit lines. Extending the 'financial possibilities' of individuals, enlarging the market reach for financial products and at the same time transferring resources, programs and workforce from the social to the penal wing of the state (Wacquant 2012, 74) led to a growing impact of financial sanctions. This systematic tilting of state priorities and actions from the left hand, the protective, to the right hand, the disciplinary, can be observed by looking at the increasing numbers of credit card holders facing penalties and fines for being late with payments. The poor, being *high-risk* cardholders, pay higher interest rates and fees for financial services than wealthier customers, which benefit from the system with cash-back rewards, frequent flier miles and other perks. At the same time the poor are forced to engage with this market at this high cost, living in a western, commodity focused capitalistic system, resulting in a growing proportion of revenue for banks and a higher number of individuals unable to comply with their various payments and bad credit lines. The need to constantly monitor different credit cards, paying of loans, managing insurances, getting out of bad debt cycles and so on inherently creates a variety of possible violations of 'good' financial conduct. Especially for the less privileged parts of society, already experiencing hardships due to the increasing retraction of social welfare, this means a much higher susceptibility to financial penalization. The total penetration of the *financial* into daily life can be described as "(…) 'laisse faire et laisse passer' for the dominant, but it turns out to be paternalistic and intrusive for the subaltern…"

(Wacquant 2012, 74). Moreover, financial sanctions fit well into Wacquant's metaphor of the *Centaur-state*:

> (…) it is uplifting and 'liberating' at the top, where it acts to leverage the resources and expands the life options of the holders of economic and cultural capital; but it is castigatory and restrictive at the bottom, when it comes to managing populations destabilized by the deepening of inequality and the diffusion of work insecurity (…) (Wacquant 2012, 74).

Market dominance and the expansion of the penal apparatus of the state are closely linked in the post-industrial west. The deep structural and functional connection between market rule and punishment is apparent when looking at financial sanctioning. Aside from aggressive deployment of police, applying the infamous *Broken Window Theory* and other manifestations of the penal state, the *neoliberal Leviathan* widens the juridical net through alternative sanctions and exponential development of digitalized justice data banks *(Wacquant 2012, 74)*. Financial records are a good example for digitalized data banks that can be easily used to control and form a body of knowledge. With the rapid increase of (multiple) credit card holders, loans, fines and so on, these records become more and more powerful and useful for disciplinary measures and punishment in general.

6. Conclusion

In the present work I have approached the term and concept of economic warfare by taking a close look at the underlying developments and profound transformations, which shape today's reality. Major financial crises, leaving hardly any part of the world unaffected, seemingly systemic and manly triggered by failure of the so-called perfect market, are ignited by myriads of highly complex financial instruments, new patterns of wealth accumulation through financial channels and by a fundamentally changed view on how individuals should take part in society.

In subchapter 2.1 I have closely analyzed different theoretical approaches towards the term *financialization* in todays literature forming a triptych with neoliberalism and globalization. *Financialization* can be approached by studying it as a regime of accumulation, seeing it as the spreading of shareholder value ideology to political economies or as a development that revolves around the citizen as an investor and *entrepreneur of the self*. In the next part, subchapter 2.2, I turned to financial inclusion following David Graber's argumentation, which considers the last financial crisis as a crisis of financial inclusion. To approach financial literacy I looked at current developments in parts of German state's education system: a suspended publication covering economy and society for educational purposes and discussion about the introduction of a stand-alone economy school subject. Moreover, I analyzed David Arthurs essay on TV shows as a form of financial public pedagogy that promotes a capitalist political economic system.

Lazzarato's concept of the *indebted man* was the focus of chapter three, concluding the first part of this work and adding to the analytical theoretical background. For Lazzarato understanding debt as a basis of social life and exploring the creditor-debtor relationship is key to understanding today's neoliberal condition. Analyzing this condition helps to develop a deeper understanding of the environment in which the *financial citizen* is emerging.

In chapter four, I have shown how two different groups of finance-professionals deal with risk. While futures traders have to develop strategies to create a risks-taking personality in the pit, financial analysts have to transform uncertainty into risks and finally into a narration. Interestingly, traders use the gap between the event and the institutionalized analysis by banks to speculate relying on their feeling of the market. In the case of the *Egypt Revolution* the importance of the *Suez Channel* for the transportation of oil, although never affected at all by the event, resulted in a raise of the oil price. Such a spike is a clear sign of traders 'becoming the market'. In such a situation the market is extremely volatile or 'nervous', the ideal situation for traders that are trying to actively take on the risk that others, the financial analysts for example, are still assessing and formulating. Risk becomes a productive, rather than a destructive force and contributes to the creation of financial futures, created by financial analysts as purposefully crafted stories "that are sold to investors to facilitate decision making in the present" (Leins 2013, 220). While analysts need time and all the information available to make a judgment, quite the opposite holds true for traders: In trader philosophy the faster and the more detached from the 'real world' they are, the better a trader is able to work. For analysts the product of engagement with uncertainty is a narration of the future using the concept of risk. The physical presence of the trader's body, his behavior in the pit itself and his 'risk-taking' personality is already the essence of the narration.

While traders are constantly working on their professional being in the pit and analysts on their narration, both are able to confront risks and the uncertain future. Nevertheless, they can "(…) cope with self-generated risks only in the terms of their own specific system logic - the economy in terms of prices (…)" (Beck 2009, 8). Stock and futures are displayed in numbers, final recommendation by analysts are basically yes or no, which also stands true for traders. Making decisions, which create others that again have to be evaluated perpetually, constitutes their market of risk. Needs are produced that can be satisfied infinitely. The intense exposure to risk for both financial professionals seems to boil down to a rather simple and plain concept of (self-) advice: *Buy, Sell* or *Hold*. All three of them are nothing more than consumption recommendations.

In subchapter 5.2 I have created and defined the term *Financial Citizen* extending Nikolas Rose's work on *Biological Citizens* into the financial realm. In subchapter 5.3 I have presented that financial sanctions can be considered a vital part in the toolkit of modern art of punishment for neoliberal western states. They resemble a universal, economical and productive form of control, which are not only appendages but "(…) constitute core political capacities through which the Leviathan governs, (…) cuts up social space (…) [and] dramatizes symbolic divisions" (Wacquant 2012, 76). They illustrate a *desire to govern at distance*, an exhaustively deflated *want to know* about the states individual members. Furthermore, they seem to touch the very existence of citizens and foreigners alike. Moreover, I have shown how the compulsory engagement with the financial realm can have different outcomes for different social classes: Financial sanctions, in form of high interest rates for the poor, late charges, penalty fees for exceeding credit limits, increasing premium rates for mortgages and generally high costs for financial products; On the other side, the wealthy who routinely pay off their credit, enjoy a *free ride* with free annual fees, receiving upgrades at hotels and flights, club memberships and other benefits. In a society based on consumption, the harshest and most subtle punishment is the deprivation of the *liberty* to consume.

Financial sanctions in the sense of financial warfare are mostly imposed by executive orders, therefore fostering a police state that works by the means of precise, meticulous regulation and decree. In the introduction to *The Foucault Effect*, Colin Gordon writes: "Foucault notes as a defining characteristic of the police state the marginalization of the distinction between government by law and government by decree" (Burchill, Gordon, and Miller 1991, 10). Foucault defines this police government as "(…) a form of pastoral power, a government which defines itself as being 'of all and of each': a universal assignation of subjects to an economically useful life" *(Burchill, Gordon, and Miller 1991, 12)*. This *economic pastorate* is well visible in my analysis of the impact of financial possibilities and constraints. The profound connectedness between the principles of political action and those of personal behavior and conduct is observable in the context of financial sanctions.

I defined the emerging *Financial Citizen*, using Nikolas Rose's concept of the *Biological Citizen*. Today, more and more individuals are defining themselves through their financial status, be it a good or a bad one. Having a credit rating over or under a certain number influences the way the *Financial Citizen* evaluates himself and is evaluated by others. Moreover, alliances and communities are formed, benefits shared, misfortunes narrated and help is offered.

The combination of financial screening technologies, a consumption and growth based political and economical system and the propagation of profit as one of the ultimate goals in life, leads to a new self-definition of man in financial terms, the *Financial Citizen*. With this novel perception, new forms of disciplinary methods are emerging and new ways of punishment are evolving.

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