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## Capital of lies

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**Abstract:** What role does thought play in maintaining the rule of finance? This essay takes its cue from the philosophical and literary discourse on nihilism. There are lies and there is the lie. The lie keeps us coming back for more, generating yet more lies. It never pays to unmask the lie. Lies are more lucrative. Perhaps this is why public policymakers persist in imagining and administering the world in financial terms.

**Keywords:** Nihilism; existentialism; finance; power; public debt.

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What metaphors should we use to talk about finance? There are many provocative formulations to choose between. A relentless machine, processing everything in its path; a bulimic stomach, spitting out all that it chews up; a central nervous system, sensing and sending messages for capital; a firm hand that has a chokehold on policymaking; a giant squid sucking on the face of humanity.<sup>1</sup> Each of these opens up a different way of thinking about the power of financial mechanisms. But what happens when thought itself is imagined as integral to financial power? What role do “mechanisms of the mind” play in maintaining the rule of finance? Neither political science nor political economy is well-equipped to answer this question. The philosophical and literary discourse on nihilism gives us a language much richer in possibility. There are lies and there is the lie. The lie keeps us coming back for more, generating yet more lies. It never pays to unmask the lie. Lies are more lucrative.

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What is “the lie”? The lie is not the same as lying as we normally understand it. Lying is something we do with words. One lies when one intentionally deceives others with words. The lie entails something else—namely, deceiving ourselves about the status of words and of thought. Words are not things; concepts are not reflections of entities or worldly configurations; symbolic systems are not the expression of a cosmic mechanics. All of these things—words, concepts, theories—are ultimately metaphors. This was Nietzsche’s point. “Truth” is an effect achieved through the repetition of metaphors. Nietzsche makes this case in a posthumously published essay called “On Truth and Lie in an Extra-Moral Sense”:

What, then, is truth? A mobile army of metaphors, metonyms, and anthropomorphisms—in short, a sum of human relations, which have been enhanced, transposed, and embellished poetically and rhetorically, and which after long use seem firm, canonical, and obligatory to a people; truths are illusions about which one has forgotten that this is what they are; metaphors that are worn out and without sensuous power [...] (Nietzsche 1976: 46-47)

There are two important points to draw from this commentary. First, if truth is nothing but worn-out metaphors, then the lie is that these metaphors are something else: classifications, descriptions, windows onto the structure of the world. We tend to forget that metaphors are none of these things. And this is why forgetting is a form of lying. We lie to ourselves when we imagine that there is something rather than nothing at the bottom of our words. This amounts to a psychology of denial, repression, or self-deception. The second point, which Nietzsche immediately goes on to make himself, relates to a group dynamic. To be truthful means to employ the usual metaphors, “to lie according to a fixed convention” (47), to lie *with* the herd.

These points correspond to the opposing poles of Western nihilism. On one side, an emptiness at the bottom of words that haunts existence (the problem of religious nihilism), on the other, a social formation that turns this condition into a plastic cage (the nihilistic condition of postmodernity). This duality provides a potentially valuable perspective on financial power. During the heyday of neoliberalism, it was common to hear about the power

of financial ideas, ideologies, and imaginaries. This was the case with neo-Gramscian political economy and constructivist political science, for example, which sought to explain our enduring attachment to the neoliberal-financial worldview.<sup>2</sup> But these theoretical projects failed to reach their goal because they did not go far enough. They did not follow their suspicions about discursive framing and sloganeering through to their logical conclusions. And for good reason: any attempt to get to the bottom of words can only end in self-sabotage.

Theoretical projects sabotage themselves by wearing out their metaphors and hardening into an edifice of interlocking concepts. An economy of ideas, interests, and institutions coagulates around a founding lie, be that rational choice or historical necessity. This is self-deception playing out at the level of theory. But it is also the consequence of a more basic self-deception. We want to lie to ourselves.

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What makes the lie so appealing, so lucrative? Cioran had an answer. Though influenced by Nietzsche and often compared to him by critics, Cioran was suspicious of even the most sensuous illusions. Hence the exquisitely wrought but dark vision he paints, in *The Temptation to Exist*, of lies piling up on top of one another.

everything which keeps us from self-dissolution, every lie which protects us against our unbreathable certitudes is religious [...] We last only as long as our fictions. When we see through them, our capital of lies, our religious holdings collapse. To exist is equivalent to an act of faith, a protest against the truth, an interminable prayer [...] (Cioran 1968: 221)

Cioran's metaphors mix here to startling effect. The lie appears as a religious craving to cover over the absence of truth, and existence, in turn, assumes the form of a financial challenge: to manage one's religious holdings, to accumulate a capital of lies, ultimately, to "profit by one's share of unreality" (210).

There are two ways of bringing this idea to bear on financial society. The first entails using it to think through the technical operations of finance. Joseph Vogl (2022: 105) has recently done something like this, describing the financial sector as an elaborate arrangement of "profitable truth game[s]." Valuations and therefore fortunes emerge "from opinions mirroring opinions about opinions" (34), giving us a society heavily invested in "value

ghosts” and “referential illusions” (103). This point should by now be relatively uncontroversial. The second route, yet to be adequately explored, runs in the opposite direction. It entails thinking about the entire financial system as a gigantic decorative fantasy, a Baroque structure whose primary purpose is to “obscure the truth of the absence of the truth” (Pefanis 1991: 114). It is not the only such structure, but it appears to be among the more captivating, the more transfixing, of our time.

A concrete example: In March 2024, the *Financial Times* reported a global stock market rally driven by the boom in Artificial Intelligence (Steer et al. 2024). It is easy to think about this as an outcome of the financial process, the product of its temporal mechanisms and the way these spiral into an ecstasy of speculation (see, for example, Szepanski 2024). But we can also think about it as a “façade to the void” (Cioran 1975: 48). And this façade will not survive too much scrutiny. As it happens, the markets never threaten this kind of scrutiny. They are too busy linking one thing to the next to worry about the absent foundations of finance or value. Meanwhile, the rule makers find themselves in a different situation. They must do exactly the same as market traders, only without appearing to do anything of the sort. Baudrillard wrote about this delicate balancing act in *Forget Foucault*:

the secret of the great politicians was to know that power *does not exist* [...] To know that it is only a perspectival space of simulation [...] and that if power seduces, it is precisely [...] because it is simulacrum and because it undergoes a metamorphosis into signs and is invented on the basis of signs. This secret [...] also belongs to the great bankers, who know that money is nothing, that money does not exist [...] Power is truly sovereign when it grasps this secret and confronts itself with that very challenge. When it ceases to do so and pretends to find a truth, a substance, or a representation [...] then it loses its sovereignty [...] it dies also when it fails to recognize ... itself as a void [...] (Baudrillard 1987: 58-59, emphasis in original)

The business of finance thrives on runaway lies. The politics of finance consists in a carefully renovated façade that maintains the illusion of truth. These are important points that the critique of finance has yet to fully grasp.<sup>3</sup>

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Why can't we just unmask the lie and get on with it? This is key to the hegemony of finance and our seeming inability to break free from its spell. The cultural turn in political economy led to the naïve belief that this was a simple matter of mobilizing competing ideas and countervailing ideologies. If only we could swap out one discourse for another, we could win a whole new world. It was a cul-de-sac and this kind of theory had next to nothing to do with the demise of neoliberalism, which was already on its own reincarnation cycle.

Constructivism and neo-Gramscianism may no longer be in vogue, but the underlying impulse has migrated to the fringes of economic theory, where it blends legal scholarship with policy activism. The entire Modern Monetary Theory project should be understood as a political attempt to implement the theory of economic constructivism.

Perhaps the best example, at least the most revealing, is the Mint the Coin movement. Founded in 2011 against a backdrop of mounting fiscal crisis, it proposes to harness the fictitious character of money by minting a trillion-dollar coin and paying off US government debt in one fell swoop. Scott Ferguson speaks about this kind of measure as rekindling and partaking in the plenitude of the holy fisc. Money is a “boundless center of abstraction” (Ferguson 2018: 167), he says, and if only we were able to embrace this, we could enjoy a world of limitless generosity and care. The problem is we remain wedded to “cruel fiction[s]” (3) like finite money, unsustainable debts, and so on. Ferguson is far too optimistic about our ability to do without fictions.

Consider the following model, which appears in a 1994 essay by Mark Taylor called “Discrediting God”:

The currency of psychological investment is the libidinal current whose flow is regulated by the constantly shifting *difference* between credit and debit. Though seeming to tend toward equilibrium, the psychic economy can only operate if books *do not* balance. When the positive and the negative or pluses and minuses cancel each other, we reach the null point where eros becomes thanatos and being becomes non-being. (Taylor 1994: 604, emphasis in original)

He continues:

While the establishment and maintenance of equilibrium might appear to be the aim of economic systems, the achievement of this purpose would result in the annihilation of the structure. (617)

Libidinal economists like Deleuze and Guattari would tell you that none of this is metaphorical. That may well have been the key to their success, but only because libidinal economy itself is nothing more than the circulation and exchange of metaphors (Bennett 2016). And in this case, Taylor's model provides an interesting metaphor for our relationship to metaphysical fictions. Imagine belief in terms of credit and disbelief in terms of debt. One can disbelieve some things and believe others, one can disbelieve everything and believe nothing, one can even believe everything and disbelieve nothing. But the books cannot be allowed to balance. One cannot reach the point where belief and non-belief neutralize each other. One needs to keep moving, keep believing and disbelieving.

The next question is how to allocate one's credulity, how to manage one's portfolio of lies. Going all in on disbelief is to court metaphysical bankruptcy. Not for the faint of heart. The other extreme—total credulity—is the way to delirium. A decadent pursuit that normally requires a considerable outlay of resources. The *normal* thing to do is to maintain a more balanced portfolio; to use the usual metaphors, to lie and to believe according to fixed convention, to go with the herd.

Modern Monetary Theory (MMT) now appears in a new light. MMT identifies a number of cruel economic fictions. It then presents the world with a theoretical fiction of its own, albeit one that alleges to do away such things. But the MMT project, at least in its current form, is doomed to fail for two reasons. First, because it underestimates the psychological value of our fictions. We know this because it sets out to rob us of our most important fiction: namely, that we live in a "real" economy composed of something other than illusions. Second, because it overestimates the political value of unmasking our fictions. If the art of power is keeping its emptiness a secret, then MMT commits the mortal sin of exposing the secret. Instead of renovating the façade of power, it draws attention to the void beneath.

The implications of this stretch beyond the political fate of MMT. Indeed, the case of MMT suggests a much broader lesson about the interplay between heterodoxy and the lie in public policy. Lying against the herd is one thing, but at least one can accumulate a capital of lies amongst a group of new believers. Unmasking the lie in order to harness the fictitious quality of economic order is much more treacherous. If one's capital of lies were to evaporate, if one's religious holdings were to collapse, what would happen to one's constituency of believers? It would disappear. In short, the psycho-political arithmetic of unmasking the lie is all wrong. The only way to make it add up is to tell more lies. This raises

some extremely thorny questions about duplicity and politics. Would not the most effective platform for MMT be to lie in order to acquire the status of a truth, instead of try in vain to unmask the lies of public finance? In which case, would it not then have to choose between power and transparency?

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All this comes back around to the riddle of what sets or keeps the financial world in motion. The only satisfactory way to approach this question is through an unusual metaphor, a metaphor that we still remember to be a metaphor. And this metaphor, which likens lies to capital and existence to a portfolio of lies, opens up a new perspective on the value of orthodoxy. The image of an economic world consisting of all the usual metaphors masquerading as truths offers a considerable degree of consolation, a significant metaphysical return on psychic investment, enabling everyone to get on with the business of managing their capital of lies. It is no wonder, then, that economic policymakers cannot or will not trade in the market worldview for anything else, especially not the idea that we can choose any worldview we want. The psychic payoff attached to the idea of market rule is of greater political value than the one attached to various efforts to harness the fictitious quality of economic order. That is why policy discourse struggles to part ways with economic and financial orthodoxy.

## Notes

<sup>1</sup> These formulations echo Deleuze and Guattari 1983, Vighi 2016, Crockett 2011, Konings 2024, and Taibbi 2010, respectively.

<sup>2</sup> The interested reader should consult Abdelal et al. 2010 or Best and Paterson 2010 for the particulars. Konings 2015 provides one of the few sane commentaries on this development.

<sup>3</sup> There are of course notable exceptions. See, for example, De Boever 2018.

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