

## A CRISIS CAN HIDE ANOTHER

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The financial crisis monopolizes attention. It is explained by the behaviour of financiers, but this behaviour, how to explain it?

We develop the following thesis: Computerization has since 1975 transformed economy, but this transformation is neither understood nor clearly seen. The resulting unbalance creates a more deeper and global crisis than what appears on the occasion of the "financial" crisis.

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One can see in computerizing the cause of the financial crisis. Certainly not the proximate cause, because it is the behaviour of financiers, but the material cause that made this behaviour possible.

Once possible it was made inevitable by the conjunction of an illusion of security and competitive pressure. Indeed, computer science and network have unified the global market and established between banks such a solidarity that if one fell the other must fall so as climbers from the same rope.

But the probability of a systemic disaster seemed negligible: each knows that Earth cannot stop turning! The systematicity of risk being perceived as a safety factor when the risk was apparently deleted - and it looks that appearance drives behaviour.

The whole business of finance is the trade-off between return and risk. The risk (apparently) removed, one of the pillars of the trade collapsed, nothing could stop the race performance, even it was illusory. One who was cautious, was ejected from the market because his customers were leaving him for others, offering higher returns, seemed "smarter" and "more effective".

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But let us leave the company to consider the economic balance as a whole. It appears that computerization with automation it provides, has transformed its parameters.

For software, for integrated circuits, the cost of production comes down to cost of product design: the cost of a CD more, of a smart addition is negligible. It will be the same for all production computerized, automated: the quasi-totality of the production cost is spent during the initial phase of product design by including the organization of its production, and the scheduling of the engineering business process. The digital economy is an "economy of design, or if one wants of" design "much more than an information or knowledge economy.

The marginal cost is negligible, this economy is experiencing increasing returns to scale (the average cost of a product decreases when the produced quantity increases). It can be shown ([24]) then that the market equilibrium is established under monopolistic competition, which was in the 30s is a curiosity in the theory (Robinson [16], Chamberlin [4]), and which became the regime's economy. It is not appropriate here to develop this model: say only that the corollary is the segmentation of customers (including segmentation tariff which allows the company to capture the consumer surplus) and product diversification.

When the marginal cost is negligible, the value of the product escapes from the quantity for joining quality: the satisfaction that comes from an iPod (like that which gives a book) results from quality design and not from number of copies that you hold. This affects the imagination of consumers and, ultimately the demand. The recent emergence of "environmental needs", of a "need for traceability of food products", signals a development that we can judge slow but that moving towards less quantity, and more quality.

When the company spends most of production costs during the product design, so before receiving the first response of the market, it must base its decisions on an anticipation of customer demand and initiative of competitors. The risk is then pushed up and is even higher than the competition, pushing the quality up, increases the cost of the design. The digital economy is thus an economy that requires maximum risk among the entrepreneur, who must have the talents of a good poker player.

The result of design work is a work stored, a "dead labour" and therefore, in the strict sense of the term, of capital: the digital economy is ultra-capitalistic. But a capital, it is stolen, it is copied itself, it is looted weapons to hand: an economy is potentially even more violent if it is more capitalistic, and the temptation of violence is much stronger because competition became global is more intense and the risk higher: our ultra-capitalistic economy is potentially ultra-violent.

Certainly, the industrial economy had not been peaceful: monopolies have abused their position of power, competition has used violent methods. But it was based on peaceful principle, the exchange in which neither partner can force the other to enter into transaction. In addition, the need for labour gave him a balance endogenous consumption is linked to income, itself dependent on the employment that was based on production.

In the economy of design, automated, these two balances are broken and the spring of violence stretches with the same power than in the feudal period (Bloch [2]). The most modern, and the most efficient economy, reconnecting with archaic attitudes.

If computerization provides effective tools for the entrepreneur, it also gives these tools to the predator. The lower cost of transportation permitted by the computerized management of containers has attracted a unified market that responds physically to the removal of geographical distance in the logical space: it is as if the world had reduced to a point in a space of dimension zero.

This facilitates the off shoring of jobs, call centres etc..., detrimental to the cohesion of the company and to the quality of its products. It also helps the mafia to "launder" profits of crime to take control of legitimate businesses (Saviano [17], p. 315).

Some conflicts with ethnic or religious pretexts hide and reveal at the same time, the eruptions of this potential for violence: could they take place if they do not allow predators to accumulate wealth as they can, through 'computers and networks, and recycle it in "normal" economy to find comfort and respectability (Verschave [22])?

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