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*By Matthias Smalbrugge, Professor in European Culture and Christianity, VU University, Amsterdam*

## **WHY MODERN CULTURE FEELS EMBARRASSED BY BANKERS**

### **The frontline of an ongoing debate**

#### **I Introduction: the scapegoat**

A short introduction. In the year 1142 a man was buried in in the Northern Burgundy in the chapel of a monastery where his wife lived for already some 20 years. She was not only his wife, she was also the abbess of this monastery. The man was named Abelard, the woman Héloïse. The two had been lovers for a long time, but had been betrayed and forced to take unwillingly their vows, thus becoming monk and nun. They had written moving love-letters, letters I can most warmly recommend you for a sleepless night. Now, as they had always lived, after their love-story, some 300 miles one from another, this burial was meant to reunite them.

This curious ceremony had been arranged by Peter the Venerable, the mighty abbot of the Cluny. Cluny at that time was the most successful and wealthiest monastery that has ever existed. Just imagine that it possessed in the 12<sup>th</sup> century one third of the surface of the actual France and that it governed more than 1200 monasteries throughout Europe. Peter then, the actual abbot of Cluny, had arranged this burial because he admired and valued Abelard. In his view Abelard had inaugurated a new era. Abelard had insisted on the fact that what matters in the realm of ethics is personal trust and confidence, not general rules. Thus, he had introduced individualism and he was actually one of the first men to create our modern times. Yet, precisely because of these innovations, he had become the scapegoat of the well thinking circles of his time. People felt that

new times had arrived but didn't dare to face them. They felt deeply embarrassed by Abelard and hence he had been condemned, despised, even betrayed. Only a great man as Peter the Venerable was capable of seeing that notions like individualism and personal trust were there to stay.

*Scapegoat, bouc émissaire, Sündenbock, capro espiatorio, chivo expiatorio.* In this regard we haven't made any progress since the times of Abelard. For what we have seen the last decades was an irrational way of criticising bankers, of blaming and shaming, of humiliating their profession. They were scapegoated and their reputation was tarnished. Again, because people didn't dare to face the changing times that have arrived.

If there is so little that has changed, what then is the mechanism behind the sacrifice of a scapegoat? The French philosopher René Girard explains in some exciting studies that the scapegoat is sacrificed in order to restore a certain equilibrium in a society that suffers from dangerous gaps between different social classes. These gaps may produce outbursts of violence, but these outbursts can be avoided if all the aggression is turned towards only a small group that subsequently is scapegoated. The benefit of having such a scapegoat resides in the fact that a society can close its eyes for its real problems and thus remains a kind of community. It covers up all the problems and allows people to look away from the really important intellectual and social questions. That is what happened to bankers, they were the scapegoat of our European society.

But what then was the issue we couldn't deal with and that had to be covered up? In my view, two issues, perhaps taboos, are at the centre stage. Firstly the question of *inequality*, secondly the deeply felt want of an *overall control*.

## II Inequality

Let us first look at the idea of inequality. Inequality is a something we have learnt to reject fundamentally. Christianity started its history 2000 years

ago by stating that all people were equal before God. The French Revolution added legal equality to this religious definition and finally after the second WW, social equality became the more and more important. But whilst in the course of time other classical ideals were abandoned, equality gained the more and more importance. Why so? Well, in our society much of what we used to have in common became individualised. We share the less and less common narratives, ideals and moral standards. Everything has become individualized. Take for instance 'history'. We were taught 'national history' at school as something we had in common. But nowadays, minorities write their own history and they no longer accept the idea of a 'common' history. Or look at Europe. The European Union started as the common ideal of no longer war, but now, in the days of Greek crisis and the migration crisis, it continues as an idea without a common ideal.

It is in within this context of the loss of ideals that the notion of equality became important. No matter who you are or what may be your origins, we are all equal. Equality figures obviously as a last moment of something we have in common, it has become an idealised safeguard. Moreover, as an idealised notion it represents in a way the lost unity we once had, but that we have lost by the impact of individualism. Yet, we shouldn't forget that there were good reasons we pulled down the old forms of unity. 'Unity' may sound ideal, but normally speaking, it can't be achieved without a certain coercion. That is why we broke down the old forms of unity. We wanted to get rid of the unity Victorian morals imposed, we rejected the unity churches symbolised and realised by coercion, and we no longer believed in national identity. All these older forms of unity no longer matched with our idea of individuality. Yet, one sole ideal remained unattacked: the equality of everyone. The ideal of equality even became indispensable, for there was nothing else that could represent a certain inner unity in our society. Equality became the moral beacon in times where we had to live without ideals.

However, though equality was a kind of last resort, it didn't match with the individualism we cherished at the same time. On the one hand we encouraged people to do their utmost, to develop their individual talents, for everyone is equal and must have the same chances. But once people took up this challenge, became creative and tried to earn as much as possible, a wave of protests followed. What then was the difficulty? Well, people said that greed was 'morally' unacceptable. This argument obviously was a failure. We had rejected common norms and values, so what could be the moral ground justifying this criticism? For a moral judgment demands a common conviction, a common concept or narrative that you share with the one you criticize. Such a common story or narrative no longer exists. So what happened was that bankers were accused of behaving in an immoral way, but that the moral ground justifying this criticism was entirely lacking.

The conclusion then is a fourfold one. **Firstly**, we may conclude that we have no answer to the question of the relation between individualism and equality. Equality produces individualism, but individualism produces inequality. How to handle that question? **Secondly**, we refused to think about this question, even though inequality raises a huge feeling of embarrassment in our society. **Thirdly**, feeling us very uncomfortable about the tension between individualism and equality, but refusing to think about it, we found an ideal victim to be charged with our inner unbalance: bankers! They became our scapegoat. We were back in the times of Abelard and once again, people don't want to face the changing times that have arrived. **Finally**, what we accuse bankers of, is not about money, and is not about bonuses, it is the embarrassment about inequality. An issue we don't want to think about, because it questions too many of our other convictions. For instance, what do I prefer in real life, to trust someone or to rely on regulation, new laws, moves and so on, because I don't trust anyone unless regulation, contracts and enforcement by law make it needless to trust someone.

### III Mistrust, suspicion and insurance

Which brings me to my second point. Modern times have produced, for many reasons, an increasing feeling of fear and anxiety. We fear the unknown, we fear the future and we fear risks. This fear expresses itself in many ways. On the one hand it figures as suspicion and mistrust. On the other hand as the want to insure ourselves against all possible risks. If you don't trust something, get insured against it, for it is a possible menace. Health can't be trusted, it is a possible menace, it must be insured. The same goes for your house and income. But it also goes for human relations. We don't trust bankers, hence we insure ourselves by regulation and other measures. What we see is a tendency of insuring ourselves against everything because we don't trust the other, nor ourselves, nor the future, nor companies and so on. Trust is replaced by insurance and risks are banned as much as possible.

But risks belong to the very nature of life. They form a beautiful challenge and it is only by taking risks that we can disclose the future. Risks are not a kind of Russian roulette, but a sign of trust and confidence. And as we pretend not understand that a company like a bank must invest and take risks, then this fearful attitude is due to the lack of trust and confidence. A bank cannot exist without investing, it is literally 'crediting' the future.

Where does this loss of trust come from? In my view it is due to the fact that we do not share greater narratives anymore. If you don't share something with someone else, how can you trust him? There are only some remains left, some stand-alone elements. E.g. what is left from the story of Christianity are notions like debt, credit, and punishment. No longer functioning in their original context, but as some silent witness of a narrative we once shared. So after the banking crisis, we didn't talk about trust, but about measure and regulation. We insured ourselves. We did so partly because it was necessary, but partly also to be able to accuse future

wrongdoers. If you will break the rules, it will allow me to accuse you and to remain innocent myself. In that sense, scapegoating continues to be an instrument with which we master problems without discussing them.

That was what happened to Abelard. Putting the emphasis on trust in ethics, he was blamed for breaking the rules. His point however was that rules kill responsibility, kill the debate about trust. Did we change since these past times of the Middle-Ages? Or do we have to conclude that these time have not yet passed?

#### **IV The debate**

If I am to look back at the crisis of 2008, I very much regret that we reacted as we did: choosing a scapegoat. We didn't debate about the essentials: individualism, equality and inequality, trust. We are dealing with a credit-crisis, meaning literally a crisis of trust. Therefore, I would consider banks a kind of 'innovative laboratories of trust'. What banks and bankers are doing is nothing else than trying to create new forms of trust, taking risks in a healthy way. There is no golden standard anymore, financial values are covered by trust. If that is the issue, then we can't continue implementing only new rules, we have to rebuild some fundamental form of trust. In my view, that is the main point that should be addressed when talking about banks and the financial system. Your profession has been blamed by a society that covered up its own embarrassment and its own refusal to address the real problems at stake. Your profession is standing in the frontline of the battle about societal questions.

But in fact we don't need battles, we need debate and dialogue on themes like cohesion, trust, individualism, inequality and so on. Let me make a very short first move. Historically speaking, individualism dates from the times of the Renaissance. For instance, the first self-portrait in the history of art dates only from 1484, made by Albrecht Dürer. From that moment on, artists profiled themselves by their own style and creativity and shaped their own USP. Individualism, creativity, profit were

there to stay. It created the Renaissance and the Renaissance gave birth to your profession, modern banking. Modern banking came into existence because of qualities like individualism, profit, creativity and so on. Credit investment and asset management from that time on became activities realized already in the Renaissance at a supranational scale.

That was in the end the result from what started with Abelard. If that is your origin, I can only hope that you will act as Peter the Venerable, the abbot who presided over 1200 monasteries in Europe - as you do in a modern way - and who understood the need of realism *and* of a shared narrative. I really hope you will address the embarrassment existing in our society. Why shouldn't you be the creators of a new Renaissance?