

*How Cryptocurrencies Illustrate Erving Goffman's Take
on "False Consciousness"*

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In his early essay "On Cooling the Mark Out" (1952) Erving Goffman reported that the confidence game "is said to be a good racket in the United States". The reason being that "most Americans are willing, nay eager, to make easy money" - and will "engage in action that is less than legal in order to do so". Goffman was reporting about an alleged abundance of potential victims of fraudulent business practices within the kind of society he was describing - a society which has become the blueprint of our own "globalized" social world. Perpetrators were obviously there too, according to Goffman's report, and the comparison he makes of the "con, as its practitioners call it" with "politer forms of financial deceit" such as Edwin Sutherland's "white collar crimes" (Sutherland, 1940) makes his point even more relevant today. We are still living in the long aftermath of the greatest financial crisis in history, which officially began in 2007-2008 when fraudulent business practices involving "toxic assets" caused the bankruptcies of a few global financial corporations, while disrupting millions of lives. Such crises may not have been "replaced" by the current one, ascribed to the pandemic, since cryptocurrencies - which are likely to be even more "toxic" than those "structured financial products" were - are making their way into all kinds of balance sheets.

It is a recurrent theme in the history of social thought that of the fraudulent implications of the pursuit of "easy money". Karl Marx and Friederick Engels largely missed it when they wrote in "The Manifesto of the Communist Party" (1848) that "for exploitation, veiled by religious and political illusions" the bourgeoisie had "substituted naked, shameless, direct, brutal exploitation". However, when they take into consideration the objection according to which "upon the abolition of private property" all work will cease, and "universal laziness will overtake us", they do raise the issue of fraud. They responded to this particular objection by arguing that "bourgeois society ought long ago to have gone to the dogs through sheer

idleness” if that was true. That’s because, according to what they saw, while private property had already been abolished for most of the population, “those of its members who work, acquire nothing”, and those who acquire anything “do not work”. Which is to say that, contrary to what its proponents claimed, the free market system did not reward hard work but rather exploitation of those who had no other choice than working for a wage - or who were so convinced by a way of thinking Marx and Engels in 1847 expected to be soon “abolished”, including all “buying and selling”.

On the other hand, after the defeat of the Paris Commune of 1870, they came to the conclusion that “the working class cannot simply lay hold of the ready-made state machinery, and wield it for its own purposes” - as they explain in the 1871 edition of the “Manifesto”. For the “sake of content”, Engels explained in a letter he sent to Franz Mehring ten years after Marx’s death - and was then popularized by Gyorgy Lucaks another twenty years later, thereby introducing into Marxist language Engel’s concept of “false consciousness” -, “Marx and I always failed to stress enough, in our writings”, what he calls the “formal side” of the equation. Engels argues their emphasis “had to be” on the derivation of political, juridical and other ideological notions from basic “economic facts“ - i.e., on the relationship between “economic structure and cultural superstructure”. In other words, the “callous cash payment” which according to them and many others had “replaced all social relationships”, in the world created by the “bourgeoisie”, is the basic economic fact Engels refers to as the content they focused on too emphatically. Overlooking the “formal” side of exploitation brought about a certain number of oversimplifications, Engels acknowledged. For example, one may guess, claiming that “modern industry labour, modern subjection to capital, the same in England as in France, in America as in Germany, has stripped the proletarian class of every trace of national character”. A simplistic claim which caused Marxists and others to repeatedly pay handsome political prices.

On his way to devising a “formal sociology”, Georg Simmel tackled the problem of money extensively in his most cherished book, “The Philosophy of Money” (1900). While illustrating the “lack of character and objectivity” characterizing in his opinion the lifestyle engendered by the widespread use of money, Simmel points out that “within money transactions all persons are of equal value” just because “none are valuable” - only money is actually considered valuable. Simmel’s most cherished book also presents his take on what he refers to as “historical materialism”. He proclaims his intent to provide a “new storey beneath historical materialism”, such that the explanatory value of the “incorporation of economic life into the causes” (plural) of intellectual culture is “preserved”. Just as the appearance of the “founder of a new religion” is by no means just a “religious phenomena”, Simmel argues, so it has to be acknowledged with respect to the notion of “economic fact”, which is never “just” that.

Simmel's methodological standpoint, in other words, is that such a fact - that is, one whose content "would be exhausted by the image that economics presents of it - does not exist". Like anything else, the "callous cash payment" will have its context, and may be addressed from several analytical standpoints, including keeping an eye on the fact that it facilitates cooperation between people who do not share a morality, or do not even know about their respective ethical, or even legal, commitments - as Goffman found out later. Goffman makes it clear in the Preface to his first book, "The Presentation of Self in Everyday Life" (1956) that he is following "Simmel's method".

This reference to Simmel can be read as just a rejection of any quantitative methodology, and possibly based on this reading it can be overlooked, as Randall Collins did for example in his answer to the self-posed question "What Has Micro-Sociology Accomplished ?" (2016), when he argued that "in the 1950s Goffman deserted Freud for Durkheim". However, Simmel's method (not "Durkheim's method") is what Goffman wrote. Goffman once argued that his scholarly contribution as a whole may be framed as politically "conservative", adding "and so it is" (Goffman, 1974). Even though he had previously clarified the issue by warning his readers not to assume he was endorsing the social arrangements he was analyzing (Goffman, 1971) these words probably led many of his commentators to think that what he was saying in 1974 was that he was not trying to "awaken people to their true interests" - because, as he wrote, "the sleep is very deep".

This quote, however, reads as follows: "I can only suggest that he who would combat false consciousness and awaken people to their true interests has much to do because the sleep is very deep. And I do not intend here to provide a lullaby, but merely to sneak in and watch the way people snore" (Goffman, 1974). When he says he is working on the way "people snore", Goffman is ironically pointing out that there are no shortcuts if one wants to "combat false consciousness" - without excluding himself from the hypothetical "he who would" do so. On the contrary, he is claiming to be working hard on it, while admitting to not being engaged in the officially acknowledged cultural battlefields. His counter-criticism is addressed to a call for "equality" which he sees as grounded in Simmel's "money transactions" context, in other words in the belief in "money" not as a means but as the end of transactions. Such philosophy of money terminates social transactions giving rise instead to representations of what they supposedly once were, way before the "original sin" of consciousness was allegedly perpetrated.

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