Economic Security in a Post Crisis Era

Version Preliminar

No divulgación

Abstract

With the frequency of new economic crises coming and after the turmoil of the Asian crises and financial one in 2008, the concept of economic security as an idea of securing jobs, living conditions and monetary means has been put into question. What should be secure? And most important who has the power to produce this insecurity? There are few studies which discuss the conceptual base of the idea of economic security. This research may contribute to the relevant literature by bringing highlights to the theoretical framework of security.

This paper aims to demonstrate there is an evolution in the concept of economic security and a need to add the financial criteria. The global economic and financial crises are showing that there must be a gap between these two ideas and they need to be revisited. Moreover, this study further analyzes the relation between the financial crisis and power, and the effects of this relationship in terms of diffusion.

Through a literature review the main results showed that the concept of Economic Security has incorporated new financial domain elements and the public policies should refocus their sphere in incorporating these new elements for coming crises. In this sense, the integration of the financial markets has caused the diffusion of power within the group when it comes to crises.

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"Development... is then defined by the carrying out of new combinations.... New combinations are, as a rule, embodied... in firms which generally do not arise out of the old ones but start producing beside them.... It is not the owner of a stage coach who builds railways."[1]

"Capitalism, then, is by nature a form or method of economic change and not only never is but never can be stationary."[2]

Introduction

The first great financial crisis of the 20th century, the Wall Street Crash of 1929, caused a global crisis of capitalism and led – indirectly – to the rise of the concept of Economic Security.
The predominant ideology of free market policies became a globally-accepted way of doing things in business. Unfortunately, over time the system's latent flaws developed unseen. By the late 1990s the seeds of two more great crashes had not only been sown, but disaster was inevitable (Yunus, 2009: 5).

Economic crises have given the opportunity to change paradigms of how economic policies should be approached. Every "new" unforeseen scenario has put into question if the policies being applied by governments are the most adequate way to secure families, businesses, workers, suppliers; in other words, securing every actor in the economic system.

In recent years the concept of finance has been more significant due to globalization, the increase on international transactions, trade, and allocation of efficient capital. Although this expansion of globalization had a positive impact in the population with cheap products, increase of credits and savings; there are various negative impacts that have shown in the two last financial crises: the loss of trust in the finance system, the shortage of money to invest in new jobs and the impact of short term decisions that in the long term are not so trustworthy. What matters now is how the variable of risk impacts decision-making. This variable has been incorporated to a new concept: Financial Security.

Recent literature shows how important the risk factor plays a significant role in the security literature, is it still important to engage Financial Security as a new field? How does it gain its independence from the Economic Security concept? How determinant were the two recent crises to develop the concept of Financial Security? Indeed these are basic questions that this essay will answer. This essay will perform a literature review and it will be divided in four parts: The first part will introduce and explain the foundations of the concept of Economic Security and its purpose through time, especially in the design of policies. The second part will be focused on the concept of Financial Security in the context of the International Economic Crises of 1997 and 2008, trying to engage in the new foundations of this concept and addressing the question of independence of Financial Security from the Economic Security concept. The third part will engage the concepts of power diffusion with the ideas of Financial and Economic Security. Finally concluding ideas of the discussion promoted, showing any limitations to the analysis or the addressing of new key concepts for further research.

Economic Security

The Early Stage: Economic Security Committee

After the crisis of 1929, President Franklin D. Roosevelt promoted the establishment of an Economic Security Commission (ESC). The main purpose of this commission was to establish policies for the protection of citizens under extreme economic circumstances (Report on Economic Security, 1934: 161). The purpose of these policies was to reduce unemployment, which was the main cause for economic insecurity. Unemployment created a series of negative impacts through the economic system, as a result a decrease in capabilities and production. Under this scenario, the ESC proposed a series of policies, the creation of 'safety nets' that could provide a minimum wage, health and medical services[3] (Report on Economic Security, 1934: 164).

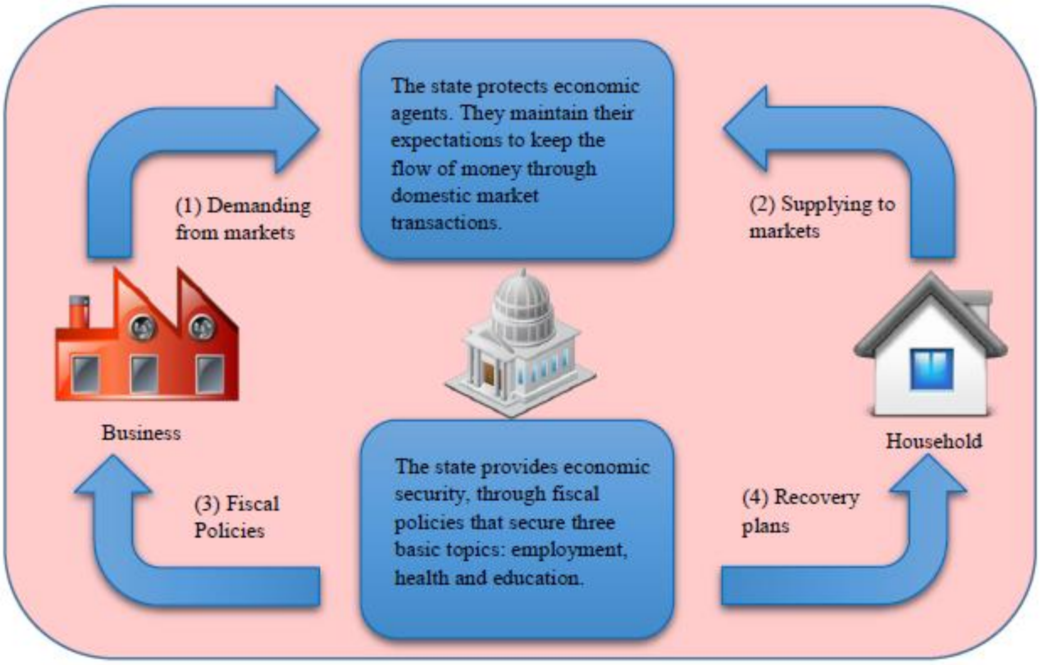
Under this scheme the government established the following plan:

(1) **Government Employment Program:** All of those on relief who can be employed should be given work. To accomplish this end a governmental employment program is necessary.

(2) **Educational Program for Youth:** The Committee believes that the security program should contain special educational provisions for those between the ages of 16 and 21.
(3) **Public Assistance Program:** It is very important to retain the gains, which have been made in the administration of public assistance in the last few years.

The idea of a 'Patriarchal State' regained recognition as a provider of Economic Security. The objective was to secure the economic flow of resources and goods. What Buzan understood as a macro perspective of Economic Security (Buzan et al., 1998: 96). Figure 1 shows how and why the State protects the economic agents.

Figure 1:
Economic Security: securing the flow of money and resources



Source: Own

The highlights of this plan were the main foundation of what nowadays is Social Security (SS). Due to the context of the crisis, the United States (U.S.) seized the opportunity to apply these policies with positive results. The subject of security (understood as the families, a unit of production and consumption) was secure from any external or internal economic crises: jobs were secure and money flow was granted (Mughan, 2007: 294).

International Economic Security
More than 50 years later, the globalization era marks turmoil. The improvement on telecommunications, capital flows and international trade marked a significant change in the production mode. As a result, the access to a wider range of cheaper markets meant a more efficient use of resources (Kahler, 2004: 487; Aitken, 2011: 126).

This brought a scenario of instability in the economic system. The State was aware of it; however, due to the many variables (competitiveness, external risk, vulnerability, trade flow, exchange rate, stock exchange, expectations), it was not possible to control them all (Nesadurai, 2004: 463). The possibility of external shocks becoming more frequent turned into a problem for Economic Security (loss of jobs). The economic agents in this case were more vulnerable in this context (Kahler, 2004: 487, Cable, 1995: 305-306; Tooze, 2005: 148).

Due to this new stage what was understood as Economic Security turned to insecurity. As Kahler points:

"Renewed economic insecurity, however, was not centered primarily on the threat of

> economic manipulation by rival states, as older anxieties had been. Instead, the new assessment linked globalization to economic security in two ways. Both emphasize the importance of non-state actors and the new economic environment that they have created and exploited. Rather than concentrating solely on the vulnerability of states, both stress the vulnerability of individuals, groups and societies as well as the internal political consequences of that vulnerability." (Kahler, 2004: 488)

The introduction of an international dimension made the issue of security more difficult for the State to control. The sense of safety nets and security started to become weaker and more difficult to manage.

Consequently globalization created a negative impact in the area of labour. Rights were ripped off supporting the idea of insecurity. Now a worker does not have insurance or a minimum wage. The expansion of international trade exacerbated this idea, allocating the labour force in weak States where there was no law enforcement, or authoritarian States where coercive power dominated the labour sphere (Mughan, 2007: 295; Birdsall, 2000: 186).

Following this expansion of international trade, new variables played an important role, like the exchange rate. In some cases the race to be more competitive and obtain more private benefits through "devaluation policies" was a source of insecurity. Kahler (2004: 489-490) presented some evidence in these issues:

New sources of insecurity may themselves produce economic shocks, magnified through globalized communications and transportation networks and by the growth of sectors that are highly sensitive to such shocks.

Economic insecurity in other societies may also reinforce or encourage illicit economic exchange that produces further insecurity through avenues that have been widened by globalization.
The concept of security starts broadening from a domestic to an international sphere. Variables like vulnerability are being considered in the analysis. States now can absorb from the international markets, the economic and political volatility. At this point it is important to reframe the concept of Economic Security into insecurity (Kahler, 2004: 490, 494-496; Nesadurai, 2004: 474).

Kahler points that to halt this insecurity environment, the State must manage technical and political tools, securing insurance, building a foundation of Economic Security, but adding credibility and adaptation, which are explained as follows:

(1) Credibility: Must provide transparency in the policies done. If this is achieved an important asset is gained – the trust to the population. This gives a greater margin of action to the State to apply adjustment policies. That is why accountability should be an important factor to assure credibility[4].

(2) Adaptation: This element tries to focus on the conciliating dimension. As the State receives the impacts of the external shocks, economic agents must adapt to the new situation. The main challenge is to make the population understand the circumstances. That is why credibility is important. If the case is that the population does not have faith in their government, this could bring more political and economic instability.

From domestic to international criterion
There have been many changes in the process of defining what Economic Security is. The subject of security has expanded, the individual remained important, but the broader of the subject is matter of analysis. The introduction of new variables has eroded the concept of Economic Security, which nowadays does not only depend on the physical capabilities of the resources to secure the economic system.

As an example, Joseph Nye introduces the economic variable within the security framework and so does Susan Strange with the creating of the multidimensional concept of security. It refers not only to the physical security but to other aspects such as the environment, public health or economics.

These systems have become fragile, the classic perception of security from 1934 does not work. The securing policies and State programs to reduce uncertainty have been eroded. As a result, the effectiveness of the State is questioned: the population loses credibility in any economic or political action. This situation reinforces a scenario of instability and more insecurity (Haggard, 2000: 9).

Now it is important to analyze this transformation in the context of the two financial crises to understand how ineffective was the classical concept and there is a need of reformulation. The two main backgrounds analysis will be the Asian Financial Crises (1997) and the International Financial Crisis (2008).

Two financial crises, one concept, many variables.
The main purpose of this section is to analyze the impact of these crises in the concept of Economic Security. How these scenarios change the foundations and redefine the subject of security and see which variables are undermining the notion of security.

Since 1934 report provided by ESC, the perception of the State as the “last resort” under extreme economic situation had been in the mind of all the economic agents. With that idea comes along the problem of “Moral Hazard”[5]. Economic agents have the expectation that in a crisis situation the State will always act as the “last resort”. Under this perception, economic agents justify careless management of their resources, for example overcreditting thinking that the state will provide some kind of help at the end.

This conduct of “Moral Hazard” was seen in the Asian and International Financial Crises. There was this wide belief that no regulations in the financial market created more efficiency, and that the State was the “last resort” (Yunus, 2009: 6). This impacted the way economic agents behaved in the market. This is how the economic agents had become highly dependent on the globalized financial market, justifying the overcredit and misuse of economic resources (Aitken, 2011: 125).

“Moral Hazard” deepened the concept of Economic Security and even pushed further into a new concept: Financial Security. Moral Hazard prevails, but the implications of new and sophisticated economic agents are important to consider in this scenario. The impact of government decision can be a determinant in this kind of situation (e.g. Bailing a bank that can compromise the whole economic system of a country, closing trade barriers, confiscation of private property). The idea of risk and expectations must be considered in the analysis (Haggard, 2000: 24).

Economic Crisis and the turmoil of the security concept
The economic strength of a country does not rely on their resources and their capacity of producing goods for their population but it is related to competitiveness and the expected performance of economic agents in a globalized economy.

The two main international crises have occurred due to a failure of expectations (bubble crisis) and Moral Hazard (eroding quality of financial assets). According to the Institution of International Economics (IIE), the main cause of the Asian Crisis was the boom of credit. Along with the economic growth during 1990 – 1995, a credit boom occurred (Birdsall, 2000: 185). The opportunity to offer credits with the objective of expanding the consumption capacity became a recurrent pattern in emerging economies. The credit expansion was occurring on a domestic level, but what happened at the international level?

In both crises the credit was encouraged through private networks. Investment banks (IB) were becoming the important link in the Global Economy due to the expansion of trade and capital flows, these institutions represented the best agent to allocate resources throughout the world (Yunus, 2009: 7).
The IB have become an institutional voice for the global investment markets. Under that perspective IB decided in whom, where and why capital should be allocated. The performance and expectations of economic agents in the future become an important source of analysis. In this case, government, international business and even families became interconnected through the information provided by these companies.

The IB manages two important variables crucial for the formation of expectations: risk and vulnerability (Nesadurai, 2004: 461). The correlation between these two variables is positive: the more vulnerability the country presents, the more the risk, and, therefore, the more insecure in financial terms.

Both Asian and International Financial Crises showed these characteristics. In the former, the insecurity promoted by the fragile economic system in Thailand and Indonesia increased levels of vulnerability in the Global Economy and financial sector. As explained by the IIE, two main reasons appear: “The combination of a week economic activity, a huge stock of bad loans in the banking system.” (Goldstein, 1998: 9; Yunus, 2009: 6).

The loss of value of financial assets and the real exchange became a problem, increasing the risk and vulnerability of the Global Economy. These two effects became threats to other countries. It is at this point where the concept of Economic Security changed, as it is mentioned by the IIE:

> “Any serious analysis of the Asian currency crises must also accord a role to contagion of **financial disturbances**. On this last count, the Asian currency crisis is unusual, in

> that it originated in a relatively small country (Thailand) and spread to a wide set of economies, both large (South Korea, Japan, Brazil, Russia) and small." (Goldstein, 1998: 15).

The concept of Economic Security changed. The inclusion of an external dimension impacted negatively in the basic foundations of safety nets and employment. An example of the programs used to secure employment can be seen in Table 1, (Birdsall, 2000:184).

Table 1: Social safety net programs in East Asia during the crisis 1997 -1999

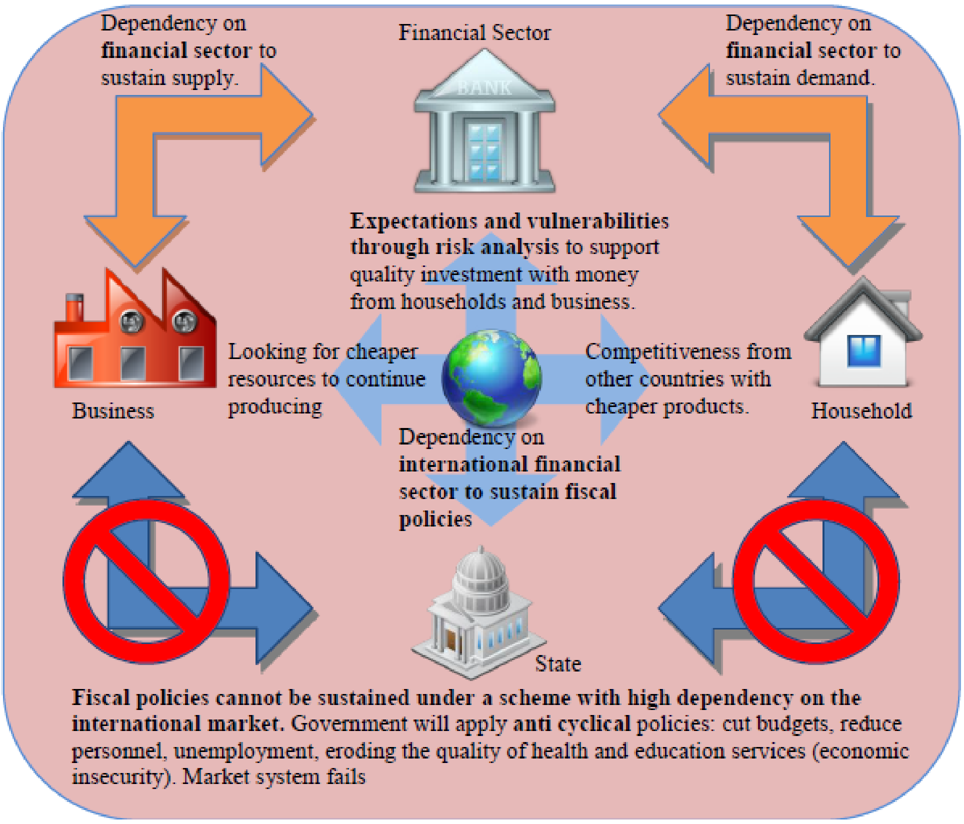
Country	Food Security	Cash Transfers	Social Funds	Health and Education	Workfare Programs	Unemployment, assistance, insurance and severance pay	Active labour market policies
Indonesia	New program of targeted cheap rice distribution		Community based programs	Back-to-school Program launched (provided scholarships for the poorest students and school grants for schools in the poorest communities) Subsidies to maintain prices of essential drugs		Existing padat kanya programs expanded and subsequently redesigned	
Thailand		Social pensions for elderly and cash transfers to needy families expanded	Community based programs (new)	Low-income healthcare for the poor and voluntary health insurance for the near poor expanded Scholarships and educational loan program expanded Allowing fees to be paid in installments; fee waivers; provisions for free uniforms to students School lunch program expanded	Public workfare scheme (new)	Severance payments increase New Employee Welfare set up partially finance unpaid severance claim for workers from bankrupt firms	Training for skills development for unemployment expanded Self-employment loans
Malaysia							Training for unemployment expanded
South Korea		Temporary non-contributory means-tested livehood protection program (new) Social pension for the elderly (new)			Public workfare scheme (new)	Unemployment insurance program expanded	Active labour market programs (vocational training, wage subsidies, job placement expanded)

Source: Birdsall, Nancy (2000: 199-200)

This became a recurrent issue in the International Financial Crisis of 2008. After the Asian Crisis, international regulation was applied with the aim of minimizing the risk and vulnerability of markets[6]. The problem was that the State did not change their conception of security; thereby the tool or policies were ineffective (Haggard, 2000: 140, Aitken, 2011: 125).

By 2008, the international sphere dominated the economic activity. All the economic agents in some way were related to the financial sector, through savings, pension funds, mortgages, and credits (Figure 2). The State perceived that the subject of security was the economic agent as a production unit (based on resources), but not as financial unit (based on financial assets).

Figure 2:
The International dimension and the dependency of financial structure



Source: Own

This is why the crisis of 2008 damaged the economic system. The high dependency to financial structure was a key issue that resulted in the vulnerability of the system. The State assets were compromised affecting the effectiveness of fiscal policies and safety nets, a main source of Economic Security (Grosse, 2012: 23).

The International Financial Crisis was caused by this lack off regulation of the financial sector and Moral Hazard (Haggard, 2000: 16, 19). Under this scope the domain of security changed, that is why Financial Security became a relevant issue. Should Financial Security look after protecting employment; providing health and education services? Or should it stick to financial concepts, minimizing the risk and vulnerability of financial units?

Financial Security a new dimension of securitization

The world has become more complex and interdependent. The economic system has been transformed from a real production-based system to a financial one. This process has been called financialization, where all economic relationships have been monetarized. In this sense, the concept of security changes: now the object of security changes, it is not physical (a wage expressed in real terms, resources, labour). What matters to securitize are the expectations of performance in the future[7]. As it is expressed by Kessler:

> “It is no longer ‘real’ cash flows but rather expectations and anticipation of liquidity streams that trigger buying or selling decisions. This acceleration and

> reconfiguration of financial time through derivatives is even more evident in the case of financial derivatives, where the underlie is not some 'real' value but simply a monetarized relationship" (Kessler, 2011: 11).

This is how security and finance become one complex issue. The integration of the financial sphere with economic agents is what makes every resource, and agent important in a Global Economy. That is how Economic Security differentiates from Financial Security. While the former is based on real markets and their present capabilities, the latter engages with expected behavior of markets. As Aspers conclude: "while prices refer to goods and services in the real production-oriented side of the economy, prices are the very product in the case of financial markets." (Aspers, 2009 in Kessler, 2011: 207; Aitken, 2011: 127).

Although, Kessler claimed that security and finance can be parts of different context, it is interesting to note that finance and security can be reproduced under the same circumstance. The start point to analyze similarities in both concepts is in the security discourse. He finds the convergence of both concepts and asserts the existence of one concept:

> "If we want to understand the changing relationships, differences and interdependencies of finance and security, we cannot continue to treat them as ontological entities that exist independently from practices, ideas and theories." (Kessler, 2011: 199).

If Financial Security is a valid concept, it is important to understand how it must be monitored. International regulation was approved to provide security under the scheme of insurance, credibility and adaptation. As a result Basel Committee on Banking Supervision (BCBS) produced two important legal frameworks, Basel I and Basel II. The concrete objective was to provide Financial Security (BCBS, 2005, Amicelle, 2011: 165).

Although these frameworks were useful the idea of risk is latent, due of Basel II, there is a margin of action due to the inclusion of "sound" risk which is a way to certify to the system that the risk assumed by the IB is in the expected. Again, a Moral Hazard problem appears here. First of all, who determines the definition of sound risk? Even if the Bank justifies it and expectations fail to accomplish it, the State will be the "last resort" for a guarantee. As it occurred in the crisis of 2008, the bailout of many banks was a proof of the complexity of using the sound risk criteria. In fact, these criteria had cost of more than US$4 billion – more than ten times the cost of the 1997 Asian Financial Crisis – producing a negative impact on world markets. (Kessler, 2011: 209)
Kessler presents recommendations to engage into a deeper analysis of what Financial Security should aim for (Kessler, 2011: 210; Haggard, 2000: 9):

(a) A redefinition of security itself; this would include a change of security from a public to private good, a financialization of security practices and a redefinition of expertise.
(b) The construction of new memories and identities that can be useful to identify which economic agent is more vulnerable.
(c) A new set of arguments, concepts and technical vocabularies that would fit into a new legal framework (Basel III).

It shows the importance of dividing the real market from the financial markets, not because the impact that one can cause over the other, but because the way each market behaves.

Consequences of financial integration
Financial integration
Nowadays, due to globalization, it is possible to have a global financial system where the national markets that conform it work as if they are one, besides the physical distance (Strange, 1990). Moreover, Evans & Hnatkovska (2007: 220) state that the financial markets have become integrated in such a way that "international capital flows have risen dramatically, there is greater foreign ownership of financial assets, and there are fewer impediments to international asset trading". This integration of the national finance systems into a global system has led to the integration of the world economy (Strange, 1990). This interstate integration in the economic and financial sphere puts into question the dynamics between power and security.

Power diffusion as a consequence of financial integration
A consequence of the financial integration is that the power of the financial market is spread among some of the States. As Strange affirms "[b]y far the most important consequence of financial integration for other

governments has been the accelerated change in the nature of the competitive game between states" (Strange, 1990: 266). In this sense, the financial market has become a multipolar arena.

Thus, the relation between power and the financial market is constantly being transformed and has not defined its borders. Nye (2010) supports this idea by understanding these changes in two different perspectives. Firstly, power transition, which includes new markets, means that the financial market in terms of power is not only concentrated in the West arena. The second one is power diffusion which means that power is moving from the states to non-state actors.

> "Not long ago the global system was dominated by a small handful of national governments, led by the United States. Most countries felt they had little choice but to play by rules laid down by America and, to a lesser extent, its partners in the Group of Seven (G7); markets operated within strict limits established and maintained by states." (Cohen, 2008: 458).

Consequently, power has become more widely diffused through the financial market. As it has been stated, there is no hegemon that controls the market and its variables, so it seems that the power has been spread between other states and non-state actors.
This allows a new political space where new actors can play a significant role in the financial market. Three major examples that demonstrate this, as Cohen (2008: 458) states, are:

(1) The creation of the euro;
(2) The widening of global payments imbalances;
(3) The globalization of financial markets.

Regarding power transition, it is already happening in the financial market because but it is not as visible as power diffusion. For instance, the Shanghai Stock Exchange is not as strong and stable as other stock exchanges such as the New York or London Stock Exchange (Malkiel, 2007).

As it has been mentioned, the financial integration led to a diffusion of power in the way that there was no State that had the absolute control over the financial issues. Instead, the power was spread between the members of this global financial group. As Stiglitz (2010: 288) states: the objective of the financial integration "was supposed to lead to greater financial stability, as risks were spread around the world". However, this seems not to be true as "the crisis has coincided with, and reinforced, a diffusion of power in global finance" (Helleiner & Pagliari, 2011: 175).

Conclusion

Globalization has caused two effects: First, are - understanding of economics in terms of economic security. The concept used since 1934 has changed and has incorporated new elements. It is important that although the concept can change, the political economic objectives of reducing unemployment and providing quality public goods, like health and education, are still valid in today's politics.

Second, the integration of financial markets. This has caused a multipolar arena where some States have concentrated the power of decision making. However, it has become evident a diffusion of power within the group when it comes to crises. Contrary to the expected stability, it seems not to be any State that is capable enough to prevent these situations or control them, just like it happened with the Asian Crisis. As Stiglitz (2002) suggests, "[t]he problem is not with globalization, but how it is managed" (Stiglitz, 2002: 214)

Financial institutions absorbed the domain of providing the resources needed for the economic agents to satisfy their needs. The free market (no regulation) domain has gained terrain on this issue, what usually was provided by the state, private corporations have now coupled this sphere. At this point the state was perceived as a subsidy agent (last resort); which brings the problem of Moral Hazard, turning allocation of resources inefficient.

The market and its institutions (IB) provided the resources to all economic agents at a cost. In this way the use of money was more efficient. These private institutions grew at an incredible speed during the globalization era. The dependency from every economic agent becomes vital to sustain credibility in the system.

In every of these actions performed there is a risk scenario that must be considered. That is why expectations, are a main source of insecurity. The main reason why the Asian Crisis started was for the so-called "Asian Tigers'" failed expectations. This produced an unprecedented impact over the real terms of monetary value. Many businesses were negatively affected; as a result a dramatic drop in the demand for labour increased the vulnerability of the Global Economy (these can be seen in the employment programs promoted by the Asian states to halt the escalating problem). In addition to the interconnection through finance channels, all economic agents had a negative impact over the financial capabilities of payment.

This same scenario occurred in the International Financial crises. Ironically, the same objection was made to some economic agents, like households, about the use of the money provided by the state. International Banks applied Moral Hazard, investments related to securities fund, college funds, pension funds (all of them related to the concept of Economic Security) were drowned by the crisis were the expectations that were not committed on a domestic sector (housing in the U.S.). The creation of bad quality assets that were sold to the international market and bought by government showed the importance of Financial Security as a rigor of supervising the quality of the assets. In this case, the dimension of the crises not only affected economic agents as households and business, but also states were compromised affecting their balances and accounts, finally damaging the effectiveness of fiscal policies with the objective to provide employment, health and education services.

Indeed Financial Security is needed to set the basic conditions of how the subject of security should be aware of the dangers of being financially interconnected. International regulation is needed to stress the importance of the evidence of global and local impact in the last years, crisis going in Spain, Iceland and Ireland shows how financial interconnectivity can be dangerous if the precautions are not taken (O'Sullivan, 2010: 230).

The policies must go beyond the idea of insurance, credibility and adaptation. It is important to understand how the security discourse should be addressed in the financial sector: should banks be only responsible for holding and lending money? At what level of commitment is a bank responsible to assure the success of a market? These are many doubts that must be discussed on a wider perspective including the multilateral institutions.

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Notes:

[1] Schumpeter, 1934: 66.
[2] Schumpeter 1942: 82-85.
[3] All this policies had their foundations in the Economic Theory proposed by John Maynard Keynes. His research "The Means of Prosperity" (1933) where the topics of unemployment and growth became the underpin for the application of State policies, called Keynesian Policies.
[4] Why Accountability is so important? Although globalization brought many benefits to society, the increase of corruption in the private-public sector escalated in that period of time (Transparency International, 2011; Thompson and Shah, 2005). This notion of untrusted actions made by the State (especially in economic securities) has forced to show more responsibility in providing Economic Security and that resources are used adequately.

[5] According to McGee (2005: 693), Moral Hazard shows that is the possibility for an economic agent to get debt written off, there is an incentive to overborrowing. In the case of the two crises this pattern of behavior becomes recurrent.

[6] Basil I and Basil II were international regulatory financial policy with the aim of securing through public information the quality of assets and transaction in the international market. (BCBS, 2005)

[7] I would suggest that processes of *financialization* are related to the quantitative form of communication (some authors speak of 'framing' in this context). Desires, beliefs, the entire complexity of the environment is reduced to a single number – the price – which then triggers (or not) a purchase or sale decision. Especially in financial markets, news manifests and is revealed in changes of numbers. Information is produced in quantitative terms, especially in the form of covariance–variance matrices. This essential link to numbers forms and constructs specific expertise, memories, temporalities and dynamics of instability. (Kessler, 2011: 208)