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Being and the Market Part II

The Philosopher returns with the concluding part of this discussion of market epistemology

I n the previous installment, we uncovered a major difficulty, perhaps even a paradox, in trying to represent, or frame, or write, the market. Indeed the market could not be written the same way as a stochastic process (as in the typical paper on derivative pricing). Stochastic processes are written relatively to given contexts, or ranges of possibilities: in one instance, the underlying stock is the relevant variable; in another, the underlying stock and its volatility; in yet another, the underlying stock, its volatility and – who knows? – air temperature. As for the market, it is the process of change of these contexts. Today you are interested in a given stock, tomorrow in its volatility and what derivatives are written on it, and the day after tomorrow you may lose interest and drop the whole thing. That is the market. Its only rule is actuality. It falls completely outside writing for in trying to write the market, even write *about* the market, you cannot but relate to a given context, therefore shrink and collapse and join the multitude of contexts that can be changed by the market.

This pursuit of the ultimate context led us to the question as to why thinkers and writers and philosophers are always so keen on uttering the last word of their given topic, and what shared value, or commodity, could thus be lying behind what we have called "the different contexts of rhetorical disclosure." Behind the particular

topic and the particular representation, their common motive may just be the "performative imperative." Each writer performatively sets up the context of his writing by *being* a writer in that topic. He actualizes his context and sets up the stage for his performance, ending it with the last word on the subject. Could there be a common process whose actualizations are the different performances, even the different kinds of performativity, of the different thinkers? Could we abstract from the context and proclaim the meta-contextual existence of such a thing as

"intransitive writing" or "intransitive thinking"? Or should all this be left *unthought* and finding a name for the commodity lying behind the different writing contexts become as difficult as finding a name for the market?

A series of different kinds of performativity

As we struggle with these questions and struggle through our text, not nearly getting close to the heart of our argument that markets offer an extreme case of meta-contextual epistemology, we prove indeed, if anything, that we are *still not thinking* about probability, or about smiles, or about the markets. Behind all the contextualizing attempts, maybe there lies the unthought rather than the thought, the constant struggle to "textualize" and progress *within* a text rather than a finished text. Such indeed, we may say, could be the ultimate result of the process of "putting into a process" each of the successive levels of actuality that we have encountered. And thought (or the un-thought, depending on whether you are essentially looking for an answer or for a question) may indeed be the ultimate "data generating process" we are looking for.

What went unnoticed, however, is that we have changed the subject every time we have proceeded from a level of actuality that we had thought was final to the process supposed to re-embed it in a meta-contextual "formalism." We moved from the context of the quantum measurement to the context of activity of the quantum laboratory as a whole to the context of writing of Bitbol's paper, and onto the last stage of

thought and Being. Every time our meta-contextual thinking took a step upwards, we smuggled in a whole new range of concerns. It is not as though we were moving from the actuality of a given experimental set-up and the intended measurement process (as they fell under the meta-contextual probability tool pertaining to the initial quantum preparation) to the level where the extra-theoretical choice of the context was folded back into theoretical representation and the global wave function of the whole laboratory was considered. This first theoretical ascent had problems of its own of course, for the complexity of the global wave function was barely imaginable. But at least, the next domain of concern was of a piece with the first. We were still imagining, if very briefly, the brains of the organizers of laboratory activity as quantum systems themselves.

The move becomes of a completely different nature, however, when we start invoking the performativity of writing the last word about a given topic, then the performativity of intransitive writing, and finally thought (or Being) as the pure form of performativity. Performativity was supposed to mark the end of representational control and present us, each time, with "unprocessable" actuality. And the only reason why we managed to traverse the barriers of performativity in this fashion is that performativity was changing kinds at each passage. Someone who steps forward and enacts a given quantum measurement and the corresponding range of possibilities accomplishes a performance of a different kind (and, we may say, of a different audience) than someone who steps forward and enacts in writing the dissolution of the quantum measurement problem. And she, in turn, accomplishes a performance of a different kind than someone who steps forward and enacts intransitive writing as the act of being "born at the same time as her text" (Barthes), and different still than someone who simply enacts Being through the open question of thinking.

We were after the time series of strong actualities that we surmised the market was made of, and it certainly could not have crossed our mind that we would end up with a series of *different kinds of performativity*. We are way beyond our sub-

ject. And if it could be imagined that the series of strong actualities might be re-processed, it certainly could not be imaginable that a series of different kinds of performativity might be as well. There is really no way that we could proceed from one performativity to the other, and it is only our text and our writing process that create such an

illusion. What could be the theme, what could be the thought that would manage to bring together these different kinds of performativity? Have you not indeed noticed that our text has literally been subject-less for the last few paragraphs, and has been saying *nothing*? So we might as well go back to our original idea, and affirm that the outside of Quantum Mechanics is a real outside, and that nobody wants to have anything to do in that no man's, and no thing's, land.

Naming the difficulty
Our concern about the outside will start to look differently, however, when that outside, that "thing" without a thing and without a representation even – when that thing gets a name. It is one thing to argue that the time series of strong actualities cannot be represented and to embark on the performative *reductio ad absurdum* of the opposite claim (by literally showing that the serialization of different kinds of performativity makes an empty text), it is another to *define* that time series as "the market." When the lack of representation cannot be represented, is it reason to believe that it cannot be defined? As we try to define it, in what may look as an attempt to define the indefinable and represent the un-representable, may we not indeed be concomitantly defining the way that an un-representable thing can be defined?

People think that the "market" *exists* (not the

time series of traded prices for that series no doubt exists, but they think about the entity producing this time series, the generator generating it) and they wonder what it may be, what it may look like. Perhaps it is a generator of a known type, perhaps it isn't. Perhaps it is too complex and too changing to represent anything before

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knowledge but a situation of essential uncertainty. In our own struggle for the originality and essentiality of quantitative finance, we ourselves went as far as suggesting that the "market" may be something novel, something literally unthought of, something like this un-representable "process of strong actualities." Then we embarked upon the investigation of that process and of the ways that it could be written. From performance to performance, we were eventually drawn to the consideration of our own writing and thinking processes, let alone their performance, only to conclude at the end of the tour that the process of strong actualities should never be written. Perhaps it could not even be written, or written about, in a meaningful text. From the process of strong actualities to the realisation of the kind of process that it may be, the conclusion was the volatilization of our text. (And we sometimes wonder what business do we have, producing this unwritable text, when we would rather drop this last instance of performative writing and engage into actual trading. If we could just stop writing and start trading, we would. Unless our writing became a form of trading and the progress of our text became totally opportunistic and heedless of the process of writing). Not only was the process of strong actualities impossible and un-representable but the conclusion was that there was no conclusion and no text. There was literally and literarily *nothing*.

True, this path led us all the way to nothing, yet we had started with the name. As firm a believer in non-representation as we may have been, at least we were initially given the name. The name of the "market" was available to us, and we are ourselves guilty of representation at least to the extent that, in saying: "The market is an un-representable process of strong actualities," we are first using the name.

We said we would start caring about the absolute outside and the no man's land if it were given a name. If somebody were to tell us: "The market *is* this outside," then of course we would turn towards it and the concerns usually per-

taining to the market would start populating it. Only we would suffer from the ambiguity of the copula. Is it the copula of identification or definition? Does the market exist, at least by name, independently of that outside then is it identified with it, or has the name of the market been later made up in order to fill that outside with a range of concerns? Or have the two fallen into place symmetrically, for lack of any other representation (of either)?

Identification or definition in extra-representational land is like building an arch on quick sands, so perhaps a better way to proceed is to forget about the market for the moment. The market doesn't exist. Let *that* be our starting point. And let us go back to our time series of strong actualities, where each outcome is picked *at the same time as its context*, and to the idea that it may not be theoretically represented. But can't we name it? Can't we refer to it as a whole? When we last attempted such a synthesis, we stumbled against the disparity of the subjects. The dispari-

ty was so severe that even the text connecting the different subjects was found to be empty in the end, so how would a *name* fare? And the disparity was that severe because it was a disparity of kinds of performativity, not just of subjects or domains of interest. No link could be found indeed between the experimenter performing the quantum experiment, Bitbol performing his dissolution, and we, engaged in the present writing performance. And if there ever were a link between the contents of the different performances or their results (as in the question on the back cover intended to arouse the interest of the reader before he buys the book: "What is the relation

between Quantum Mechanics, quantitative finance, philosophical writing, and performative writing?"), there could never be a link between the meanings of the performances at the time when each was performed. For the meaning of each performance *as performed* – and the real issue behind each case of performance that we have mentioned – was that each performance was the end of its topic and the final prize of its specific philosophical audience, so how could we possibly establish a link between such happy and climactic endings?

The name of Being
Now try to imagine a situation where there is homogeneity of concerns, yet there might occur a total incompatibility of contexts, or even worse, a disparity between the levels of the different performances and literally between the stages whereupon they are performed, as in the previous attempt. Imagine, for instance, that although the quantum experimenter performs

differently from Bitbol, and Bitbol differently from the intransitive writer, and the intransitive writer differently from Heidegger's thinker, imagine that they all form a human community who transacts a certain shared "value." Perhaps an index could track this value. Since Being, in Heidegger's exegesis, is performative and not representational, and is different from the "being" of the traditional ontology, perhaps it can "commoditize" the common concern of all the performers, as different as their ontologies and kinds of performativity may be, so we could lay it down that the quantum experimenter enacting her choice of context, the philosophical writer

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enacting her text, the intransitive writer enacting her own birth with the text, and the thinker enacting her human be-ing, are all producing Being and contributing to the overall schema of Being.

But "Being is [...] is structurally recessive [and] withdrawn," someone like Wood would argue ,[1] "not because it is a complex schema we cannot quite grasp, but because it is not a schema at all." It is of paramount importance indeed that we do not sound at this juncture as if we were trying to complete what is essentially incomplete and to group under the umbrella of Being what we have long argued has to be kept separate inside separate domains of performativity. It should not sound as if Being is a positive word, let alone a commodity, that can "add up" and reconcile the different performers in one big community, or tradition, of thinkers and performers. But this is precisely how Heidegger, by contrast to Hegel, conceived of Being: negatively not positively, as essentially "withdrawn" rather than accreting.

Not only is Being different from being (what Heidegger calls the "ontological difference") for the reason that Being is all "unveiling" when being is all "overtness" and that the unveiling of Being is what makes the overtness of being possible[2], but Being is different because it is itself the name of a difference. As Werner Marx writes[3]:

Hegel viewed "difference" as a category of Being. But Being itself was posited by him as a thought and was demonstrated in its healing and reconciling power. Hence the category of difference must at once be drawn back into the category of identity. "Nonidentical identity" is the categorial model for the occurrence of Being *qua* thought; it determines the "substance" and the "subject," the "concept," the "idea," the movement of "being at home with itself in otherness," "affirmative infinity." [...] Hegel thought "categorially," in the traditional sense, and saw the purpose of absolute thinking in the demonstration of the total "organization" of the "logic" of Being.

Heidegger, by contrast, does not see the enabling movement, or the "transition," from Being to being as a positive movement taking place in space and aiming towards a completion (as if Being, "leaving its place, goes over to being, as if being, previously without Being, could simply be approached by it.") While Hegel's thinking is aimed towards Being *qua* thought and as completed in thought, Heidegger's is aimed towards the difference and towards Being as "unthought." As Heidegger himself distinguishes his thought from Hegel's:

For Hegel the topic of thinking is Being with regard to being as it is thought in absolute thinking and as this thinking. For us too the topic of thinking is the same, therefore Being, but Being with regard to its difference to being. To put it more precisely: For Hegel the topic of thinking is the thought as the absolute concept. For us the topic of thinking, provisionally named, is the difference *as* difference[4].

It is in this sense, the sense of the *difference* rather than the "affirmative infinity," the withdrawal rather than the adding of a series, that we can "provisionally" utter the name of Being as short for "the difference, yet the common ground, between the different kinds of performativity."

The name of the market

But what about the name of the market? Two paragraphs back, we tried to imagine a community of concerns tied up with a total incompatibility of contexts and levels of performance, and we ended up with the provisional name of Being as the "non-representational representation," or the "non-schematic schema," supposed to indicate, or at least gesture towards, the significance of this series of concerns and the significance of thinking about it. Might we now be suggesting a formal analogy, by any chance? Might we be pointing to the fact that the market too is a case of a community of concerns – caring whether a certain stock has appreciated or depreciated – yet a case of total disparity between the contexts of trading, even worse, a disparity between the levels of engagement of each market participant with the market and between what everyone expects from their own performance? As a matter of fact, the sole purpose of the philosophical train of thought terminating at the name of Being is to provide us with a certain scale of reflection, a model of thoughtful non naïveté, rather than to hand us a finished name or a finished result[5].

It is as if our representational thinking about the market and the whole question of the conceivability of a process generating the time series of contexts had stopped at the stage where we said that such a process could not be written, and as if we were looking for something more to say. And this something more could be anything between recognizing that the market *is*, in the last instance, this un-representable process of strong actualities, or affirming, at the other extreme, a) that such a process *must* be conceived of, in and by itself, if only for the sake of testing the limits of representation and imagining the unimaginable – as if the only interesting question, after the discovery of the notion of strong actuality and after the rhetorical stop provided by the last word of performativity, had to be: "What if all these instances of a "last word" formed a time series? What would be the reading of that series of last words?" – and b) that we may then define "the market" as this extraordinary and indefinable time series. The philosophical parallel therefore acts as a handrail for our think-ing. Its purpose is to show us what it takes to have come to a rhetorical stop after the exhaustion of the representational schema, then to want to move further. It teaches us that the name of the market should be uttered with at least as much difficulty as the name of Being.

FOOTNOTES

1 op. cit. p. 65.
2 Cf. Werner Marx: "The "grammatical form" of the word *eon* indicates that the early Greeks expressed Being "participially." The experience which necessitated this grammatical form holds for Heidegger the "riddle of Being." Every participle is the expression of a twofold. Thus the participle "blooming" nominally or substantively names a specific blooming thing, e.g., a rose, and at the same time verbally names the "in bloom," in contrast to being "in wither." But in eon we have an "outstanding" participle, since all other participles are grounded in it. It names the fundamental difference between nominal, substantive "being" and verbal "Being." Without this twofold character of Being, no particular participial modes could in general "be."" (Werner Marx, *Heidegger and the Tradition*, Northwestern University Press Evanston 1971, p. 126).
3 op. cit. pp. 128-129.
4 Martin Heidegger, *Identity and Difference*. New York: Harper & Row, 1969, p. 47.
5 It also offers us a chance to counter Taleb precisely on the rhetorical front where he dismisses Hegel as a "pseudothinker" and describes him as the writer of "a jargon that is meaningless outside of a chic Left-Bank Parisian café or the humanities department of some university extremely well insulated from the real world" (*Fooled by Randomness*, p. 64). Although large parts of our paper have as a matter of fact been composed in a chic Left-Bank Parisian café, we do hope that our philosophical engagement with quantitative finance is not "extremely well insulated from the real world" but that it succeeds, on the contrary, in bringing out real philosophy in quantitative finance. We must confess, however, that Taleb's *aparté* with Hegel had somehow set a challenge for us and a goal for our writing strategy, so that we would not be satisfied until we had hit Hegel in our own writing process and made sense of him, then moved past him towards Heidegger.