THE MYTH OF “THE BOTTOM LINE” IN
WAR, HOME, FOOD, HEALTHCARE, AND RELATIONSHIPS

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ABSTRACT

The Myth of "The Bottom Line" in War, Home, Food, Healthcare, and Relationships

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Human beings have engaged in trade, conducted war, created shelter, obtained food, practiced healing, and lived in community throughout the millennia. Historically, religion served as the overarching container used to create meaning within these human activities. In contemporary culture, the myth of "the bottom line" which is the Market economy has become the overarching container for a culture continually seeking to monetize human activity and create meaning through narratives of profitability.

Archetypal psychology employs polytheistic metaphors to describe the multiple autonomous forces or archetypes that exist within the human imagination. The work of archetypal psychologists and depth psychology authors including James Hillman, Ginette Paris, Michael Vannoy Adams, Karl Kerényi, Charles Boer, and Thomas Moore form the foundation for an archetypal analysis of the myth of "the bottom line." James Hillman calls for attention to the narratives of business and names the myth of "the bottom line," in *Kinds of Power*, "The drama of business, its struggles, challenges, victories and defeats, form the fundamental myth of our civilization, the story that explains the underlying bottom line of the ceremonies of our behavior" (1).

This dissertation is an exploration of the way the myth of "the bottom line" and the Market economy affect human experience of the archetype of War in the form of outsourcing of military functions; the archetype of Home in relationship to the commercial entity of a house and the recent market bubble; the archetype of Food in the form of agribusiness, patented seed stock, and processed food; the archetype of Healing in the form of industrialized health care; the archetype of Relationships within social media and technology. This analysis is achieved through an archetypal interpretation of authors who critique the forces of the Market on each of the respective archetypes. In addition, there is archetypal analysis of the voices of the businesses involved in these territories by "reading through" their annual reports and web sites.

Keywords: archetypal psychology, Hillman, Hermes, market, war, home, food, health care industry, social media, technology.

I dedicate this work

in memory of my parents,

Joseph E. Conley and Mary F. Conley,

with my gratitude.

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The style throughout this dissertation is in accordance with the *MLA Style Manual and Guide to Scholarly Publishing* (3rd Edition, 2008), and *Pacifica Graduate Institute’s Dissertation Handbook* (2013-2014).

The drama of business, its struggles, challenges, victories and defeats, form the fundamental myth of our civilization, the story that explains the underlying bottom line of the ceremonies of our behavior.

James Hillman, *Kinds of Power* 1

Better yet, it means "a find and a theft done together." Fundamentally this is the motto of every business undertaking. Even the most honest business is directed toward a no-man's land, a Hermetic intermediate realm that exists between the rigid boundaries of "mine and yours," where finding and thieving are still possible. Mere unscrupulousness, however, is not of itself Hermetic; with it belongs intelligence and the art of living.

Karl Kerény, *Hermes, Guide of Souls* 44

Life in all its complexity remains a confidence game in which the abiding challenge is not to find redemption but to learn to live without it.

Mark C. Taylor, *Confidence Games* 13

Chapter 1

Introduction

"The Bottom Line", A Fundamental Myth

In *Kinds of Power*, James Hillman calls for an exploration and liberation of the idea of the "bottom line" within contemporary culture. "…ideas need liberation; they need to be born again else they become not merely defunct but delusional. One such delusional idea, showing more and more its rigor mortis yet still adhered to by practical men, is that of the bottom line" (22). This dissertation examines how images and narratives of "the bottom line" have effected five specific aspects of American culture; 1) the way that we conduct war, 2) our perspectives on house and home, 3) our relationship with food and farming, 4) our concept of healing and health care, and 5) the effect of technology and social media on interpersonal relationships. In each of these areas of American culture there is continuing and constant pressure towards absolute monetization, a reductionist view in which all human and technological activity is measured in dollars and cents, profit and loss, with an imaged "bottom line."

"The bottom line" is a representation of financial accounting which underlies the five areas for discussion. Accounting documents are created in spreadsheets using standard formats with the final calculations resulting in a "bottom line." For an income statement, revenue is listed first, expenses are then subtracted from revenue, then taxes and amortization expense are applied. At the bottom of a column of numbers, the final result of mathematics, is "the bottom line". This number is underlined twice in a financial document to demonstrate that it is the final result representing "the bottom line". This accounting procedure has become the primary way of imagining many aspects of the culture: add the revenue, subtract the expenses, and "the bottom line" will provide the answer.

American culture with its roots in Puritanism and religious freedom no longer exists with religion as the primary container of the culture. Where this may have been the case in the past, the economy is now the primary structure. James Hillman identifies this in *Kinds of Power*. "Business as defined by the ideas of Western capitalism, has become the fundamental force in human society and, in the manner of any monotheism, promulgates a fundamentalist faith in its basic tenets" (3). Hillman is associating the contemporary belief in capitalism and the economy with previous beliefs associated with religion. In addition he identifies the element of fundamentalism or literal belief.

Religious mythology contains narratives which reflect the human capacity for altruism as well as evil. When religion is the container for a society's belief system, social norms and customers are derived from religious mythology. When "the bottom line" becomes the container for the culture, social norms and customs are dictated by spreadsheets and financial statements and imagined values.

In his book *Dark Eros,* Thomas Moore writes, "If business could sustain the ambiguity of its efforts—helping in one way, killing in another—we might find a way to deal with nature aggressively without complete loss of actual innocence. We also might end the killing and torturing that can only be sustained by the denial of libertinage in business and technology" (38). Each of the areas examined in this dissertation—war, house and home, food, healing and health care, and interpersonal relationships—have been overlaid with the image of "the bottom line." This dissertation serves as a deconstruction of "the bottom line" as truth. "The bottom line" is a social construct used to imagine a quantified result of human activity especially commerce, which as one of the central activities of culture contains both creative and destructive powers. Trade routes have fostered the exchange of goods and services as well as culture and religion. Human beings make and exchange goods and services in order to sustain their lives and culture. At this time it appears that the culture is defined most significantly by "the bottom line."

Discussing capitalism as theology in *For Love of the Imagination*, Michael Vannoy Adams writes, "In the religion of capitalism, the market is a *deus abscondius*. It is a god that is hidden or concealed in classical and neo-classical economics – a theory and practice that is, tacitly and unconsciously, not just an ideology but a theology" (ch. 7). The *deus abscondis*, the hidden or concealed, is the invisible hand described by Adam Smith who theorized that there was an invisible force that would take care of the greater good while individuals sought after their own self interests. Smith's Invisible Hand may be imagined as the hand of a god.

Market and Commerce as Center of Culture and Moral Values

Theology and commerce were brought together when John Calvin conflated Western Christianity and commerce in the sixteenth century. Mark C. Taylor elucidates this in *Confidence Games: Money and Markets in a World without Redemption*.

> Though rarely recognized, the relation between the divine and the human lies at the heart of the understanding of markets. Calvinism not only prepared the way for a flourishing economy but also provided principles for understanding and justifying market activity. The first person to use the image of the invisible hand was not Adam Smith but John Calvin. For

> Calvin, God's providence is the invisible hand that sustains the order of the world even when it is not evident. (4)

According to Taylor, Calvin resolved the theological questions concerning the prohibition of the biblical concept of usury, also known as loans and interest. Taylor describes the conflation of capitalism and Christianity in matrimonial terms. "With this change in attitude, the major obstacle preventing Christians from entering business and commerce was removed and the wedding of Protestantism and capitalism could be consummated" (80).

Adam Smith extended the association between a trans-personal force and commerce when he wrote of the invisible hand in the eighteenth century. Vannoy Adams asserts:

> …when Adam Smith advocated self-interest as a value, he inverted the terms of traditional morality. Before Smith selflessness was a virtue and selfishness was a vice. It was virtuous to be altruistic, and it was vicious to be avaricious. After Smith, selfishness was a virtue, and selflessness was, if not a vice, at least not as much a virtue as selfishness. What was once immoral (avarice) was now moral, and what had been more (altruism) was now as more as it once had been. (ch. 7)

The United States was established by western European Christians with an image of freedom which included economic as well as religious freedom, albeit reserved for white male landowners at the outset. The original framers of the Constitution were men influenced by the Enlightenment, namely Jefferson and Franklin. Although Smith's

Invisible Hand has the characteristic of a god, there is a question as to a literal belief on the part of Jefferson or Franklin in a conflation between Capitalism and Christianity.

Although contained within the same culture Christianity and Capitalism became more thoroughly conflated when American Christianity and Capitalism stood in opposition to “godless Communism” and the Russian Soviet system. This opposition grew to the brink of nuclear war during the Cold War as the two systems competed. When Ronald Reagan was swept into office in 1980 through an alliance with Christian fundamentalists known as the Moral Majority he used Christian and “free market” fundamentalism as a political foundation.

The Nobel Prize winning economist Milton Friedman served as one of the primary evangelists of the gospel of “free markets.” Friedman wrote one of the primary populist books in the canon of neoconservative Capitalism, the best-selling book *Free to Choose*, published in 1980. In *Free to Choose* Friedman and his wife documented their personal beliefs to the general public by equating human freedom with market freedom. The book is written as if it were a sacred text addressing self-interest, morality and corruption. Freidman did not write this for the academy, as he had with his data driven economic work. He wrote this as a text to appeal to the general population. “Moral responsibility is an individual matter, not a social matter…. Public anger is repeatedly stirred by wide-spread corruption and cheating, well-publicized reports of welfare ‘queens’ driving around in Cadillac bought with multiple relief checks” (107). Morality is indeed an individual matter, insofar as a choice is made without effect on the community at large but rather individual social and financial transactions between human beings. Markets are made through narratives used to persuade other parties to buy and sell. There is an element of moral ambiguity. Human beings operating within markets make decisions about morality, but the market does not call for morality. Business transactions are made through negotiation, leverage, and storytelling about "the bottom line" not a sense of morality. The market does reward liars and cheats. Creative mischief makes the market so it is important to be aware of the mischief in the marketplace.

Freidman declared that a corporation has a duty to only one set of constituents, stockholders. In Friedman's view, stockholders receive profits and then make decisions on how to spend their money. If they have an interest in philanthropic ventures they may then spend the return on their investments as they choose. This simple view works if individual stockholders made the original investment in a corporation, or held the stock in order to receive a return on the business dealings of a company but the stock market is not comprised of one type of stockholder.

There are individual stockholders who own stocks of specific companies for investment purposes. There are also mutual funds that manage portfolios of stocks for the benefit of a group of owners/investors. In addition, there are speculators in the market for short term gains. The speculator or arbitrager may only hold the stock for seconds. In the case of electronic trading stock is purchased and sold by a machine driven by algorithms used to identify trading patterns and profit potential. Following Freidman's theories the corporation owes fidelity to a machine that holds a stock for nanoseconds. Adam Smith's invisible hand is now partly composed of a motherboard, a hard drive, a broadband connection to the Internet, and trading algorithms.

Friedman used the moral value of freedom to support his economic theories. Economic fundamentalism has taken "the bottom line" into every area of the culture. War is conducted by citizen soldiers and outsourced employees. Houses are placed in the market, putting homes into the creative and destructive forces of the market place. Agribusiness and food processors feed “the bottom line” with products containing marginal nutritional value while snacking has become a pastime. In the field of medicine and healing for-profit players now dictate to practitioners. Interpersonal relationships have become split between real time and the virtual world of social media, where personal brands consists of personas broadcast over social media driving advertising and provisional identities.

Human beings have made war, found shelter, obtained food, practiced healing, and lived in community throughout the millennia. Historically, religion was the overarching container for these human activities. In antiquity the Greeks imagined specific gods with domain over each these areas of life. In our contemporary culture, the myth of “the bottom line” has become the overarching container.

Transactions in markets are made based on the exchange of information. Because markets are developed through the exchange of information changes in communication and travel technology continue to shape markets. Commerce is dependent on storytelling and negotiation. The simple narrative of a farmer and a shoemaker changed drastically during the Industrial Revolution. The narratives of commerce are undergoing drastic change with the end of the Cold War and the dawn of the Information Age.

One of the research and defense technologies of the Cold War evolved into the ubiquitous tool of the market, the Internet. The foundation for the Internet, the Advanced Research Projects Agency Network (ARPANET), was a research and defense communications system designed at the end of the Cold War. The system was designed so that messages could be transmitted amongst researchers and scientist working in the West. The original design for the Internet consisted of hub and spoke communications also known as a web. The World Wide Web was structured to maintain communication in the event a spoke within the communication system became unavailable. As an example, if communication takes place on a point to point basis and either end of the straight line is taken out of service the communication path is disrupted. If the communication system takes place on a web of posts and interconnected lines communication can be rerouted along alternate paths in order to maintain the connection.

Today, the Internet is no longer centered in research and defense it is instead the foundation for global commerce involving more participants in the narrative of “the bottom line”. Computing technology has also created an environment where large amounts of data can be rapidly collected and analyzed. In this scenario “the bottom line” becomes a constantly monitored vital sign. As with a vital sign changes precipitate actions in the market within nanoseconds. The collection of data has also created a constant state of arbitrage where prices are always being compared and speculators attempt to cash in on price differences.

Arbitrage is the monetization or profit taking of price discrepancies between markets. For example, gold may be selling at a lower price on an exchange in London than on an exchange in Chicago. With the use of communication technology, a trader can purchase gold on the London exchange then sell it at the higher rate in Chicago. If a trader, or more likely a machine, is the first or one of a few to have this information the trader can make a profit on the transaction. As more traders or machines observe the buy and sell activity prices on the two exchanges will tend to meet somewhere in the middle of the original price discrepancy between the trading locations.

The buying and selling by speculators is seen as a means of market stabilization or equilibrium. It is also seen as a sign of market efficiency. The same arbitrage practice used to exchange gold can be accomplished with any good or service on different markets using information technology. One of the phenomena of globalization is the growth in arbitrage of human beings as labor. Outsourcing is a type of arbitrage centered in human labor. Observing that labor rates are lower in a specific market, companies move their labor requirements to the cheaper market. The output of this lower cost human capital can be shipped via the Internet if it is an intellectual output, or an industrial container ship if it is manufactured goods.

The Internet transformed markets by increasing the speed at which information travels within and between geographic markets. Simultaneous advances in technology decreased the cost of creating, storing and transmitting data leading to the commoditization of information. The first micro-computers used floppy disks that held megabytes of information. Contemporary thumb drive technology stores gigabytes of information on a small external data drive. With the advancement of the Internet and other computing technology, information has become cheap and plentiful. The proliferation of data has enabled a constant monitoring and analysis of "the bottom line".

Creation versus Extraction

The contemporary myth of "the bottom line" has changed the nature of capitalism from a culture of creation to a culture of extraction. Adam Smith's invisible hand creates less and extracts more through the use of global communication systems. Markets filled with entrepreneurs who use their imaginations to create new products and services are focused on creation. While markets inhabited by financiers and private equity firms focus on extraction.

According to business principles, a corporation exists primarily to provide a return on investment to the owner(s) of a corporation. In the case of a private corporation this may be a single individual who has invested his/her own work and/or money to establish and grow a company. If the owner has invested his/her own work into the company this is referred to as “sweat equity”. It is the creation of wealth through labor be it mental or physical. A private company may also be owned by a group of investors who provide capital to establish a company with each investor owning a portion of the company in relationship to the amount of capital invested compared with other investors. There may be a combination of financial investors as well as “sweat equity” investors.

The majority of publically held companies in the United States started as private concerns. A company will “go public” for two reasons. The main reason is to sell shares in the company in order to raise capital to grow the business, pay off debt, and provide cash flow for working capital. An increased reliance on technology has required more companies to seek financing from outside their own resources, so in addition to issuing stock, a company may issue bonds which are a form of loans. Like stock, bonds are traded in the market from their original purchasers to new owners; however, the owner at the end of the term of the bond is paid the face value of the bond. A company will use various forms of financial analysis to decide if stocks or bonds are the best way to raise capital.

The second reason a company may "go public" is to monetize the increase in value of the corporation and provide cash liquidity to the "sweat equity" and financial investors who built and/or funded the company from the outset. The fortunes of Internet entrepreneurs are made in this way. For example, Facebook was started by a college student as the idea of social media gained popularity in the marketplace. Private investors, also known as "angel" investors, made high risk investments in the new company providing the funds to grow Facebook.

From the point of initial investment outside investors plan an "exit" strategy. They do not have a particular interest in the business as a going concern. Their interest is in sustaining the company to a point in time when they can withdraw and extract a return on their initial investment. The better the projected "bottom line" at the time the company "goes public", whether well founded or not, the greater these investors benefit.

A company "goes public" by making an Initial Public Offering (IPO) which involves a complex process involving investment bankers, lawyers, and the Securities and Exchange Commission (SEC). To prepare for the IPO, the corporation must provide a prospectus which includes projections of revenue over a period of time as well as identification of risks to the business. The prospectus is the grand narrative of how a company will take the capital provided by investors, invest it in the business, and manage "the bottom line". One of the acronyms most often used in this process is EBITDA, earnings before interest, taxes, depreciation and amortization. This number reflects the earnings that will be made by the business based on the core revenue and cost structure. The prospectus containing a number of years of projected income may be considered storytelling as it is an imagined state of affairs over a period of time in the future. In addition to the estimated revenue and costs, the company must discuss any potential risks to the business. Each risk is not only identified but also accompanied by a statement of risk mitigation.

Once the IPO takes place the stock becomes available for sale in the marketplace. The capital raised from the sale is used to repay the cost of the IPO to financial and legal firms and for investment in the growth of the corporation, repayment of debt, as well as working capital. Some quantity of stock is granted to “sweat equity” and “angel” investors. This stock is allocated as an option to purchase stock at a “strike price” or the assumed starting value of a share of stock at the time that it is issued to the public. In cases where the value of a stock has been highly touted the stock price will rise quickly. Owners of the option may then choose to monetize the narrative value of the stock.

The stock market and equity ownership effect all of the areas identified for examination. There are stockholders with “bottom line” interests in war, housing, food, healing and health care, and relationships via social media such as Facebook and Twitter. Corporations in these lines of business are following a stricture that their first responsibility is providing a return on investment to entities holding shares of their stock. There are two ways that a company provides a return on investment to a stockholder, growth and/or dividends. In the case of growth the share price continues to grow at a rate of return that surpasses the rate of inflation and industry benchmarks, which represents the return on investment. In the case of dividends, the corporation pays out part of its earnings to investors as the return for their investment in the company.

In order to retain the confidence of investors a public corporation provides the market with an ongoing narrative about future growth and revenue. Market analysts make recommendations about companies based on their “faith” in the story told by the company. Public companies operate on fiscal calendars of twelve months. Some companies start their fiscal calendar in January, others start in other months of the year based on the type of business. The CEO and the corporate communications department are primarily responsible for maintaining the story told by the company.

The company publishes an earnings estimate for each year which is broken down into three month quarters. In order to keep the confidence of investors and analysts the company must meet or exceed the projected earnings on a quarterly basis. A single quarter of missed earning may be forgiven by the market if there is an unexpected event; however, subsequent quarters of missed earnings, or missing “the bottom line” will jeopardize the position of the executive team and the Board of Directors. The stock price may be negatively affected if earnings are missed.

The stock price can be affected by other narratives in the marketplace as well. If new competitors launch a product that is a direct threat to the company investors may lose confidence that the organization will deliver forecasted earning. In addition, a company may acquire a competitor which would have a positive effect on growth, enhancing the stock’s value. During the Internet bubble many companies used press releases as a means to affect their stock price. Announcements of new technologies, investments by well-known venture capital organizations, layoffs or cost reductions could increase the stock price as investors interpret it to mean an improvement in “the bottom line.”

Where is Wealth?

Part of the debate during the 2012 presidential campaign centered on the redistribution of wealth. Conservatives and Progressives are both in favor of the redistribution of wealth it is just a matter of how it is accomplished and who is on the losing end of the transfer. On the left there was a narrative about increasing taxes on the wealthiest Americans in order to partially address deficits in tax revenue relative to the overall budget of the government. In this scenario the government taxes wealthy Americans at a higher tax rate than it taxes lower income Americans. The increased revenue is then used to pay for government programs which include military spending, social programs, and "pork barrel" programs that have been included as part of negotiations to pass legislation.

On the right the redistribution of wealth occurs in the form of globalization and the "free market". Hedge funds and private equity firms that purchase companies, outsource jobs, close business units, and use inexpensive debt to finance the purchase of business entities also redistribute wealth. For example, moving jobs to lower cost labor markets is a form of redistributing wealth. Private equity firms are in the business of wealth extraction by purchasing companies that they believe are selling below their actual value, or that contain valuable assets. Their purpose is to "flip" the company by reconfiguring it and then selling it to another investor or taking the company public after it has been reconfigured.

As another example, Walmart redistributes wealth on a daily basis through its relationships with its employees and its suppliers. Since Walmart has built a vast distribution system, most manufacturers of consumer goods maintain relationships with

Walmart in order to preserve their own market share and “bottom line”. After having reduced their price to Walmart, manufacturers must then reduce their own cost of production in order to maintain profitability. This reduction in cost may be the result of innovation or it may involve moving manufacturing to a low cost labor market. Walmart was one of the first companies to establish a manufacturing base in China in order to mass produce consumer goods at the lowest possible prices. Walmart transfers wealth all over the globe by reducing the amount that it pays its suppliers and employees.

There are aspects of the redistribution of wealth in each of the domains discussed in this dissertation. At times it is non-tangible wealth that is monetized by the market and then transferred away from the individual who may or may not be actively participating in the transaction.

Private Equity and Hedge Fund managers make investments in corporations with an “exit strategy” in mind. They are not funding a company as a going concern. They are funding a company to a point of extraction where they will collect their original investment and a profit. Their concern is not how their extraction will affect the continuing operations of a company or corporation. At times the “exit” of private equity can provide more stability to the organization, while at other times it simply means that an eviscerated company is spun off into the market.

As a type of social analysis, this dissertation does not seek a “cure” for the culture. I am as much in the thrall of the market as anyone else living in the culture. My interest in exploring the “bottom line” has been out of my own experiences in commerce and technology. I don’t see a need for cure as much as I believe that there is a possibility for greater consciousness.

The call for efficiency has been part of my background in both technology and commerce; however, this call has left a void since continued search for efficiency seems to strip out meaning from many experiences. "Two insanely dangerous consequences result from raising efficiency to the level of an independent principle. First, it favors short-term thinking—no looking ahead, down the line; and it produces insensitive feeling—no looking around at the lives being lived so efficiently" (Hillman, *Kinds* 39). In the environment of quarterly earnings, all thinking is short term. In addition, the wreckage of efficiency can be seen in unemployment rates. The system seeks to cast off human beings in the name of efficiency and "the bottom line."

Review of the Literature

The purpose of the literature review is to situate my work within the context of mythology as described and interpreted within depth psychology and more specifically archetypal psychology. In addition, I am using economic, sociological, and historical literature and articles within the domains of War, Home, Food, Healthcare and Interpersonal Relationships as well as my own education and experience in the fields of business administration and communication and information technology. I am also using the financial statements and web sites of publically held companies as they contain narratives of "the bottom line."

This dissertation is an exercise in "seeing through", the term used by James Hillman in *Re-Visioning Psychology*. In this dissertation I am using this technique in the form of a cultural analysis rather than a personal analysis. The cultural myth of "the bottom line" is a belief system imagining human beings having some way to make a profit, or to have a financial accounting for any individual or cultural activity. "*Through* *psychologizing I change the idea of any literal action at all—political, scientific, personal—into a metaphorical enactment*" (127). Rather than take the "bottom line" as a literal "truth" I am looking at "the bottom line" as an archetypal enactment.

James Hillman, Ginette Paris, and Michael Vannoy Adams, are depth psychologists and authors describing human imagination using the metaphor of the effects of multiple gods on the psychological life of the individual and the collective culture. Hillman and others in the field of archetypal psychology left individual analysis to focus on cultural analysis.

Archetypes and Metaphors

The use of metaphors is a human invention used to name and describe that which exists in the human imagination but lacks capability of definition other than through the use of representative images and language. God, gods, and archetypes are all ways of imagining which result in the use of metaphors, ways of writing and speaking about phenomenon that is beyond the concrete reach of human beings. Words appearing on a page are metaphors or representations rather than things themselves. The "bottom line" and most financial language is metaphorical in that is a representation of something imagined.

Archetypal Psychology

The Platonic term archetype means a pure form existing beyond human beings. Rather than the Greek gods used by Hillman and other archetypal psychologists, I am replacing the gods with the areas that they represent, Markets and Commerce, War, Home, Food, Healing, and Human Relationships and Communication. Each of these is a foundational form or image within the human imagination.

James Hillman

"And the rhetoric of the archetype is the way each God persuades us to believe in the myth that is the plot of our case history." (Hillman, *Healing* 23) This dissertation is a deconstruction of the forces that created our case history as a society that is in the thrall of what is named as "the economy", the state of financial matters based on goods and services produced and traded and the prices paid in transactions that add or subtract from "the bottom line."

James Hillman defines archetypal psychology in Re-Visioning Psychology, *"…archetypal psychologizing means examining our ideas themselves in terms of archetypes*" (127). Within this vision of psychology Hillman opens a view of the human experience as one affected by various archetypes rather than a singular force. He opens the way to deconstruct "the bottom line" as belonging to one archetype, while War, Food, Home, Healing and other aspects of culture are energized by other archetypes.

Hillman defines territory of archetypes stating that each has its own morality. This dissertation will not use the gods that Hillman uses within *Re-Visioning Psychology* in terms of the ancient gods, Hermes, Ares, and Dionysius; however, it will use the territories of these gods. Hermes is the metaphor used to represent the territory within the psyche that imagines the marketplace, travel, communication, and thievery.

The territory of War (Ares), Home (Hestia), Food (Demeter), Healing and Healthcare (Asclepius), and interpersonal relationships (Aphrodite and Philotes) have been infiltrated by the territory of the Marketplace and Communication (Hermes). Rather than use the names of the Greek gods, I will periodically use capitalization to emphasize the archetype.

Myths are the stories weaved by archetypes. I used the term territories while Hillman used the term “perspective” in describing how the archetypes create the narrative of the human condition. “Conflicts between these perspectives are the themes of human comedy and tragedy. There is no place we can stand beyond good and evil, beyond the reach of myths which involve us in their positions.” (Hillman, *Re-Visioning Psychology* 179). Within the contemporary human condition of globalization the perspective of Marketplace is the primary protagonist creating the myths and narratives of human existence as well as shaping values within cultures.

James Hillman’s *Healing Fiction* is a significant basis for this dissertation which imagines the Marketplace as the primary protagonist in the story of contemporary culture. “And the rhetoric of the archetype is the way each God persuades us to believe in the myth that is the plot of our case history” (23). Each of the archetypes within this dissertation have a case history to be explored. From a larger view, “the bottom line” is driving the case history against the other archetypes creating a cultural neurosis.

Hillman argues for the removal of psychology from the territory of science and its return to the territory of the arts and humanities. Hillman makes the point in *We’ve Had a Hundred Years of Psychotherapy*, “I’ve been straining for decades to push psychology over into art, to recognize psychology as an art form rather than a science or a medicine or an education, because the soul is inherently imaginative” (154). Human beings live in myth. We use our imaginations to derive meaning from our experiences. In *Kinds of Power*, Hillman names the Economy as the primary driver of our cultural experience, “…It is the Economy where the contemporary unconscious resides and where psychological analysis is most needed” (4). This dissertation is an archetypal psychology analysis of aspects of the economy in terms of how the myth of "the bottom line" has entered into many aspects of the culture.

I am using Hillman's work to transform writing about what I see as the impact of economic thinking into storytelling. At the same time, I am using literature and critiques within the given archetypal territories.

I am not as concerned with presenting numerical facts about the economy as the interpretation of images, or at least the interpretation of connections and relationships between the economy and the other archetypes that I will discuss. "The true storyteller, like the artist, takes liberties with the facts and changes his story from one telling to another, but he is only satisfied with his work when he succeeds in communicating the experience to which he bears witness" (Paris, *Pagan Grace* 83). My interest in economic thinking is creating a useful story to bring about a perspective on its invasive nature as the predominant myth in the culture.

My Background

My own academic background and work experience have shaped the way that I read and interpret present social and economic conditions. I have a Bachelors of Business Administration from Loyola Marymount University in Los Angles, California. The curriculum for this degree included the study of economics as well as financial and managerial accounting. After completing my undergraduate degree I went to work for Sabre which was the e-commerce division of American Airlines at the time. Sabre focused on using computer science and telecommunication technology in order to increase the efficiency of the travel distribution network used by travel agencies.

During my tenure with Sabre I put my managerial accounting education to work in positions that required financial planning and forecasting. I had positions that involved telling the story of “the bottom line” for a product, a line of business, or division. My own experience with “the bottom line” consisted more of, “what do you want the numbers to say?” rather than, “the numbers don’t lie.” At the same time being an insider to a business, I was able to observe the mythology of “the bottom line” while business decision were made based on a social construct residing in a spreadsheet.

My background in the electronic marketplace also includes a Master of Science in Communication from Northwestern University in Evanston, Illinois. The curriculum for this program included communication theory as well as computer and telecommunications science, technologies that create the ubiquitous market found on smartphones, tablets and devices, glasses, wrist watches, and other platforms yet unknown. This educational background has added to “seeing through” the social phenomenon of social media that is enabled by telecommunications technology which includes fiber optic communications and data compression which have led to more efficient networks transporting pictures and video images that fuel social media. Technological advances have altered the personal storytelling that occurs within the culture as well as making the “Market” more pervasive and invasive.

Myth in Depth Psychology

Having a background in the market, travel, and communication, provided the main foundation for this dissertation. Mark C. Taylor describes the archetype that encapsulates these territories in *Confidence Games: Money and Markets in a World without Redemption*.

> In Greek mythology, Hermes is the god of trade and commerce. Messenger of the gods and guide to the underworld, Hermes is a polymorphous trickster whose multiple guises anticipate the elusive confidence man. In one of his roles, Hermes is a thief; neither this nor that, he is as liminal as the space he occupies. (68).

This metaphor of the trickster who is god of markets in also named by Charles Boer when he describes the Hermes archetype in the preface to Karl Kerényi's *Hermes, Guide of Souls*. "…Hermes is the only one that is going to rob you or enrich you, enlighten you or screw you" (12). Each of these positions, robbed, enriched, enlightened and screwed are positions that are being held by human beings involved in the global economy driven by "the bottom line."

In *Hermes, Guide of Souls*, Kerényi provides an imaginative view of the market.

> Better yet, it means "a find and a theft done together." Fundamentally this is the motto of every business undertaking. Even the most honest business is directed toward a no-man's land, a Hermetic intermediate realm that exists between the rigid boundaries of "mine and yours," where finding and thieving are still possible. Mere unscrupulousness, however, is not of itself Hermetic; with it belongs intelligence and the art of living. (44)

The myth of "the bottom line" as lived in today's economy might be interpreted as a type of economic fundamentalism which is counter to the liminal characteristic of the Hermes metaphor. Fundamentalism and a strict belief in "the bottom line" or the market are counter to the thieving nature of Hermes; however, mere unscrupulous behavior which seems to dominate much of "bottom line" thinking does not belong to the Market. There is an art to the lie as well as the theft within this archetype.

Kerényi states that it is the intermediate realm that belongs to the Market, in between the boundaries, not the thick double underline of "the bottom line" on a spreadsheet. There are other forces that will counter mere unscrupulous behavior, perhaps market collapse.

Although we do not know what would have happened if the government and central banks had not moved in to bail out the banks and brokerage houses at the center of the 2007/2008 financial crisis, it may be imagined that the market would have been better served by allowing those who had played too far outside the boundaries, take their lumps. Kerényi quotes Walter F. Otto to further describe the Hermes archetype.

> "...Whoever wants this world of winning gains and the favor of its god Hermes must also accept losing; the one is never without the other." Hermes is therefore "the spirit of a form of existence which under various conditions always reappears and know both gain and loss, both shows kindness and takes pleasure in misfortune..." (Kerényi 23)

Markets

Economics is often viewed as a science, yet its origins are in the humanities. In the introduction to *How Markets Fail: The Logic of Economic Calamities*, the journalist, Pulitzer Prize finalist and staff writer for The New Yorker, John Cassidy, challenges the scientific view of economics.

> Even today, many books about economics give the impression that general equilibrium theory provides, "scientific" support for the idea of the

> economy as a stable and self-correcting mechanism. In fact the theory does nothing of the kind. I refer to the idea that a free market economy is sturdy and well-grounded as the illusion of stability. (8)

Cassidy can be “read through” in light of Boer’s and Kerényi’s writing on the Hermes archetype. The creative nature of the market is based on the trickster story, as stated, “…a find and a theft done together.” The literature of economics contains a debate about the rational or irrational nature of the market. These views seek a singular force which is independent of any countervailing or balancing forces or archetypes. My argument is that western culture is in the thrall of the economy being a singular myth based in singular archetype, whereas, there are other myths and archetypes existing outside of the economy.

Time magazine journalist, Justin Fox who is mostly likely unaware of archetypal psychology, can none the less be “read through” in terms of the Hermes archetype in *The Myth of the Rational Market: A History of Risk, Reward, and Delusion on Wall Street*, “…that the market is a devilish thing. It is far too devilish to be captured by a single simple theory of behavior, and certainly not by a theory that allowed for nothing but calm rationality as far back as the eye could see” (xv). I am using the writing of these journalists as archetypal descriptions of the marketplace.

Fox critiques the University of Chicago economist, Milton Freidman, who may be viewed as the primary evangelist for fundamentalist capitalism. “Friedman believed markets worked better than government. Some of Chicago’s finance professors and their students came to believe that markets were *perfect*” (94). The idea that markets are *perfect* deifies markets. I agree that markets are transpersonal but they are not perfect in the way that economists who support this position are proposing. The Market is one archetype, there are other archetypes at play and one of them is Government. Adam Smith was writing as a moral philosopher not as a University of Chicago economist. Friedman and others hold a monotheistic view of Markets. From a polytheistic view Markets and Government are both archetypes which contain positive, negative, and shadow aspects. It is the practice of consciousness that determines the collective experience of these archetypes. There does not have to be an "either/or" view, a "both/and" view can exist.

In *Free to Choose, A Person Statement*, Milton Friedman moralizes that the Market is Good and Government is Bad. In his view Markets are rational and self-correcting where Government mainly breeds corruption. It is true that government has the capacity for corruption as does the market, as does every human being. Freidman states his philosophy, "A free society releases the energies and abilities of people to pursue their own objectives" (148). Archetypal psychology begs the question about who or what is pursuing their own objectives.

Fox wrote that Freidman believed that Markets worked better than Government. Fox than states that some of Freidman's students and colleagues thought that Markets were perfect. This is an example of economic fundamentalism. Friedman actual believed, "Perfection is not of this world. There will always be shoddy products, quacks, con artists. But on the whole, market competition, when it is permitted to work, protects the consumer better than do the alternate government mechanisms that have been increasingly superimposed on the market" (222). Indeed the market does have all of the negative aspects that Friedman illustrates. He claims that the market will self-regulate;

however, if we subscribe to the archetypal nature of the market, it may or may not regulate itself. The market contains organizations that are always pushing boundaries. There are instances where consolidation of companies create an oligopoly in the market place. Freidman continues, “If one storekeeper offers you goods of lower quality or of higher price than another, you’re not going to continue to patronize his store” (222). However, Friedman did not account for other phenomenon which will actually push lower quality as the standard because of the myth of “the bottom line.”

As companies have pursued “the bottom line” they have also used technology to replace employees. Friedman comments on income inequality seeing the market as the way out of the situation, rather than seeing how aspects of the market can contribute to the situation. “Everywhere in the world there are gross inequalities of income and wealth. They offend most of us. Few can fail to be moved by the contrast between the luxury enjoyed by some and the grinding poverty suffered by others” (146). As companies have focused on “the bottom line” they have measured both employee and customer contributions. Data technology enables companies to exclude customers based on contributions to “the bottom line.”

Although Freidman predicts that free markets will liberate human beings, he did not discuss the full effects. “Wherever the free market has been permitted to operate, where anything approaching equality of opportunity has existed, the ordinary man has been able to attain levels of living never dreamed of before” (146). In 2014, more wealth is held by a smaller segment of the population of the United States. The “bottom line” economy has created situations which he described as belonging to societies without free markets. “The upper class has access to special shops, schools, and luxuries of all kind;

the masses are condemned to enjoy little more than the basic necessities" (146). In 2014, there are special shops, schools, and luxuries reserved for a small percent of the population.

Michael J. Sandel, the Anne T. and Robert M. Bass Professor of Government at Harvard University, uses the term "market triumphalism" as a way to describe the conviction that the market is the most rational way to allocate goods and services. In *What Money Can't Buy: The Moral Limits of Markets*, Sandel documents the onset of pervasive "bottom line" thinking, "The era began in the 1980's, when Ronald Reagan and Margaret Thatcher proclaimed that markets, not government, held the key to prosperity and freedom" (6). Thatcher and Reagan's proclamations, influenced by Friedman and other capitalist fundamentalists reflected an "either or perspective" with a belief that the choice was between Government or Markets rather than seeing a complimentary relationship or balancing relationship between Markets and Government. Reagan and Thatcher saw a choice between the two. The market was deemed the more moral choice between the two archetypes of Government and Market.

Sandel questions the moral limits of markets by questioning the capabilities of the markets, "The financial crisis did more than cast doubt on the ability of markets to allocate risk efficiently. It also promoted a widespread sense that markets have become detached from morals and that we need somehow to reconnect them" (6). From an archetypal perspective the inquiry can shift from a question of morals per se to a question of archetypes. Which archetypes are being prioritized, served, or are overpowering other archetypes that are in play within the fields of Home, War, Health, Food, and Human Relationships?

This discussion of the territory of archetypes and “bottom line” thinking is reflected in Sandel’s discussion about the crowding out of non-market norms.

> As markets reach into spheres of life traditionally governed by nonmarket norms, the notion that markets don’t touch or taint the goods they exchange become increasingly implausible. A growing body of research confirms what common sense suggests: financial incentives and other market mechanisms can backfire by crowding out nonmarket norms. (114)

Norms that are nonmarket belong to other archetypes. For example, how is Home affected when Market norms of a speculative bubble overtake the norms or archetypal demands that are in place when imagining a stable and secure home? Although there was an additional round of government regulation following the financial crisis of 2008, there was not a call to further consciousness of the archetype of Home and stability on the part of those participating in the market. Again, there is a two sided rather than a multi-dimensional view of Market versus Government. A multi-dimensional view would inquire as to the interplay of Market, Government and Home in the ways that the archetypes are complimentary or in conflict.

Sandel is posing an archetypal question when he observes:

> The crowding-out phenomenon has big implications for economics. It calls into question the use of market mechanisms and market reasoning in many aspects of social life, including financial incentives to motivate performance in education, health care, the workplace, voluntary associations, civic life, and other settings in which intrinsic motivations or moral commitments matter. (122)

There is an archetypal crowding out occurring when the Market is given precedence and governance over all aspects of culture.

This view gives short shrift to the human imagination as well as the multiple archetypes at play within the human experience. The market as primary motivator limits the creative and "soul-making" aspect of human activity. Granted there is soul making within the experience of making a profit in that it is an experience; however, it is not the only gratifying or connected experience available to human beings. Market triumphalism argues that the market is the primary soul making experience for human beings.

Sandel has a response to Friedman's observation about a society where the few are able to afford luxury and others are subsisting.

> At a time of rising inequality, the marketization of everything means that people of affluence and people of modest means lead increasingly separate lives. We live and work and shop and play in different places. Our children go to different schools. You might call it skyboxification of American life. It's not good for democracy, nor is it a satisfying way to live" (203).

Sandel can be read as seeing through the myth of "the bottom line" and seeing the trespass of the Market into other territories of other archetypes. This dissertation is a discussion of how the "marketization" of everything effects the areas of War, Home, Food, Healthcare, and Relationships. His remarks also call for an examination of the effect of marketization on democracy.

French economist Thomas Piketty examines the role of central banks in *Capital in the Twenty-First Century*. Although the Federal Reserve in the United States stepped in to save the major players in the financial crisis, Piketty questions the value of sustaining some financial concerns, "…if the loan from the Fed merely postpones the recipient's inevitable collapse and even prevents the emergence of a viable competitor (which can happen), one can argue that the Fed's policy ultimately decreased the national wealth" (550). The term "too big to fail" was used to justify maintaining the existence of banks that had failed to manage their "bottom line" in a prudent manner.

Outsourcing of War

The outsourcing of war coincided with corporate outsourcing as the United States and other governments focused on the cost of standing armies following the conclusion of the Cold War. Three authors and the public financial statements of outsourcing companies, along with my own experience in organizations that use outsourcing to manage "the bottom line" form the background for the discussion on the outsourcing of War.

The MSNBC host, Rachel Maddow, Ph.D., follows the development of outsourcing in *Drift: The Unmooring of American Military Power*. Elke Krahmann, Ph.D. follows outsourcing from a global perspective in *States, Citizens and the Privatization of Security*. Krahmann traces the political impact of neoliberalism wherein governments in the United States, the United Kingdom and Germany use outsourcing to purchase security services from the private sector rather than funding standing armies. Laura A. Dickinson, J.D. discusses the balance and conflict of interests of the issue in *Outsourcing War & Peace: Preserving Public Values in a World of Privatized Foreign Affairs*.

Although these authors are not speaking in terms of mythology or depth psychology per se they can be “read through” or “seen through” from an archetypal perspective. Each of these authors discuss War in terms of “bottom line” thinking as related to the economic decisions used to determine how countries will acquire the resources to maintain armies and national security. Other archetypes can be found in this discussion including Soldier, Citizen, the Economy, Fear, and Security.

In addition to these authors’ work, I also use the published financial statements from publically held companies, Halliburton and KBR. From a company’s perspectives or the market perspective, the annual report and other financial documents are a “true” accounting for past progress and profitability as well as a forecast of the coming financial quarters and years. In 2004, Halliburton Company included the following in their *2003 Annual Report*:

> As part of the competitively bid Logistics Civil Augmentation Program III (LOGCAPIII) contracts with the U.S. Army, KBR employees are providing the logistical and infrastructure for Army bases in Iraq, Uzbekistan, Afghanistan, Kuwait, Djibouti, Jordan, the Republic of Georgia and Turkey. KBR provides everything from food, beds and mail service to laundry, sanitation and utilities. Under a separate contract for the U.S. Army Corps of Engineers known as Restore Iraqi Oil (RIO), KBR with assistance from ESG reservoir and data management experts, has restored the country’s oil production to pre-war levels, working with the Iraqi Ministry of Oil (3)

Halliburton tells a commercial story using language that masks a more frank discussion about the need for continued pursuit of instability and war in order to continue growing revenue, and meeting “the bottom line” requirements to retain investors. Each of the authors who discuss War, discuss the “bottom line” orientation of governments along with the profit motive of those who supply logistics and security in the theater of war.

Maddow’s *Drift,* is subtitled, *The Unmooring of American Military Power*, which alludes to the archetypal dynamic of the invasive concept of “the bottom line” within America’s use of military power. She argues that the act of war has become too easy and is also obfuscated with other terms such as “sending advisors” or the fact that the President of the United States can go to war without declaring War. Maddow does not take an anti-war position within the book. In fact, she appears to have little issue with justified war that has been declared through the channels prescribed through the Constitution of the United States, “…the founders’ intent to make any decision to go to war difficult, deliberate, wrenching, and collective” (156). Outsourcing has facilitated the conduct of war without the need to always declare, War. The cost of maintaining a standing army is discussed by both Elke Krahman in *States, Citizens and the Privatization of Security* and Laura A. Dickinson in *Outsourcing War and Peace, Preserving Public Values in a World of Privatized Foreign Affairs.*

Housing and Financial Crisis

The Federal Reserve Bank of the United States is the central bank for the United States. As such, “The Fed” was involved in both the creation and remediation of the housing and financial crisis that culminated in 2007/2008. The Chairman of the Federal Reserve Bank, Ben S. Bernanke, gave a series of lectures at George Washington

University in March, 2012 which described the crisis as well as the effect on the overall economy. The lectures published in, *The Federal Reserve and the Financial Crisis; Lectures by Ben S. Bernanke*, provide simple language to describe the crisis.

> The house price collapse has some significant consequences. One consequence is that many people who had felt rich because their home values had gone up and they had a lot of equity suddenly found themselves underwater, which means that the amount of money they owed on their mortgages was greater than the value of their homes. (46)

Bernanke is describing how many house owners found their "bottom line" relocated by the collapse of housing prices. The housing bubble had created a better "bottom line" than the market could sustain.

> At the same time, given the fact that a lot of people borrowed more than they could afford, the decline in house prices also lead to a big increase in mortgage delinquencies, people not paying on time, and ultimately the bank taking over the property—that is called a foreclosure—and then reselling the property to someone else. (47)

As housing prices declined, "underwater" house owners were evicted by banks or walked away from their houses. There is a distinction between a house, the physical structure in which people reside, and a home the psychological structure in which people live. Ginette Paris describes the hearth as the center of the Home in *Pagan Meditations* in her discussion of the goddess of the home, Hestia. "this was the heart of the home, the place of intimacy for the group or family, a shelter from tumult, for Hestia protects, receives, and reassures" (168). The houses that were underwater may or not have been homes, depending on the refuge they provided the residents.

The distinction between house and home can be viewed using Paris' description of the hearth and the types of financial transactions that lead to the financial crisis. Although Bernanke describes the dynamics in academic terms, the journalist, Scott Patterson, describes market tumult and gambling in, *The Quants: How a New Breed of Math Whizzes Conquered Wall Street and Nearly Destroyed It*. In order to expand the market for mortgages, and increase the "bottom line", financial institutions granted house buyers without sound financial qualifications subprime mortgages.

> Subprime mortgages had become the new darlings of Wall Street. The more high-risk borrowers who could be enticed to take high-interest mortgages, the more high-risk/high-reward CDOs—and synthetic CDOs—could be created by and for Wall Street investors. As long as the carousel kept spinning, everyone would get a brass ring. (202)

The financial institutions and investors were not considering the impact on house owners who were ill qualified to invest in a house, they were interested in increasing their "bottom line."

An example of the discourse around home buying can be found outside of the academy and journalism. This example is not meant to be authoritative from the standpoint of discussing the crisis. It is an example of the market and "the bottom line", or perhaps fantasies that lead up to the housing crisis. A book entitled, *How to Buy a Home When You Can't Afford It*, by Robert Irwin, described as "one of America's leading real estate experts" on the back of the book, contained information for potential house buyers which did not include the downside of a highly leveraged purchase of a home.

> As I've suggested, these days it's possible to get into a home with little to nothing down. I can remember when couples would save for years in order to get $10,000 or $20,000 to put down on a home…Today, there are all sorts of mortgages out there designed expressly for people who are strapped for cash (10).

This book was published in 2002, when interest rates were low due to economic conditions and "The Fed" was trying to stimulate the economy. Other players in the market, such as mortgage and real estate brokers, would assure house buyers that there are a lot of options, "these days."

In 2008, another view of house buying was published by the Wall Street Journal. As with Irwin's book, this is used as an observation for analysis of the way that house ownership is described. *The Wall Street Journal Complete Homeowners Guidebook: Make the Most of Your Biggest Asset in Any Market*, by David Crook. "At the Chicago Mercantile Exchange, professional traders bet on the trends in home values in house-price futures market. The betting there is that house values in ten of the nation's largest markets are unlikely to bottom out for a long, long time" (36). It is important to note that house prices are associated with betting while a home should be a shield against the fortunes of the marketplace.

Farming and Food

"The Bottom Line" has affected human relationships to food as corporations have turned food from a form of sustenance to a form of profit making. The further human beings turn from original foods sources to processed food the more “bottom line” thinking takes place. Processed food now includes most of the animal products that are consumed even in their state as meat, eggs and fish. Factory farming has replaced traditional farming. In *The End of Food*, journalist Paul Roberts, points out, “There are an almost endless number of examples of the way the retail-led drive toward maximum productivity, efficiency, and everyday low prices has had unintended side effects throughout the food economy” (77). The drive to produce more food at lower prices has created a market filled with shelves of food with empty calories. Roberts continues, “The huge stream of food that issue from these giant hyper efficient facilities have added to a global calorie glut” (77). Although there are more calories on the shelves, there is less nutrition available in those calories. The archetype of Food has been overshadowed by the archetype of the Market and “the bottom line”.

The raw material of processed food is whole food along with various additives, preservatives and chemicals. In order to obtain more raw material and more profit companies drive to maximum efficiency which is meant to lead to greater profitability. The most basic raw material for food is seed. The fruits and vegetables that we consume are derived from seed and much of the feed that is used to fatten livestock in factory farming is derived from seed. Seed stock is the bedrock of the food chain for developed economies.

U.K based Food activists, ecologists and researchers, Helena Paul and Ricarda Steinbrecher with Devin Kuyek and Lucy Micheals, point out the effect of patent law on farmers In *Hungry Corporations: Transnational Biotech Companies Colonize the Food Chain*.

> In March 2001, the Federal Court of Canada ruled that Saskatchewan farmer Percy Schmeiser had violated Monsanto's patent by growing canola containing the patented genes, even if it was true that the gene had arrived in his crop through cross-pollinization, as he alleged making him in effect guilty of violation through being contaminated. (31)

Although the farmer had not used Monsanto seeds his crop had been cross pollinated by nearby crops planted with Monsanto's patented seeds. The tradition of self-reliance of farmers through the collection and use of their own seed stock was invalidated by the "bottom line" needs of Monsanto to protect their patents despite the lack of cooperation from the natural cycle of pollination by forces in nature rather than human intervention.

Corporations have the resources to lobby government in order to maintain their own "bottom line" while family farmers may not have the same lobbying capabilities, especially in developing countries. As part of globalization, the World Trade Organization (WTO), is responsible for furthering the interests of trade, although they appear to be swayed by the power of the larger entities. "Corporations have penetrated the whole process of the WTO with well-organized and well-resourced lobbying groups. WTO rules give large transnationals a similar status to that of nations, which is perhaps hardly surprising since several of them are larger in financial terms than many countries" (147). The family farmer cannot garner the same resources as a multi-billion dollar transnational organization with legal resources at the ready.

Fred Maddoff, a professor of plant and soil science at the University of Vermont, John Bellamy Foster, an associate professor of sociology at the University of Oregon and Fredrick H. Buttel, professor of rural sociology at the University of Wisconsin-Madison edited the collection of articles, *Hungry for Profit, The Agribusiness Threat to Farmers, Food and the Environment*, which provide information and commentary on the contemporary farmers' quandary. In his article, "The Maturing of Capitalist Agriculture" R.C. Lewontin, evolutionary biologist, geneticist, academic, and social commentator examines the changes occurring to the self-reliance of the farmer. This can be "seen through" or "read through" as the effect of "the bottom line" on the previous norms of farming.

> Farm producers have historically been in possession of two powers that stood in the way of the development of capital in agriculture. First farmers could make choices about the physical process of farm production, including what was grown and how much, and what inputs were to be used. These choices of course, were always constrained, partly because of local conditions of climate and soil, and partly because of the local nature of markets for farm products. Second, farmers were themselves traditionally potential competitors with the commercial providers of inputs, because they could choose to produce seed, traction power, and fertilizer themselves. (96)

As technology and market demands have changed the myth of the family farmer has been altered. The farmer has been moved out of the traditional position of self-reliance and the capability to make decisions about how they farm.

Although caught in another type of fundamentalism, Robert Albritton, Professor Emeritus of Political Science adds further description of the farmers' predicament in, *Let Them Eat Junk: How Capitalism Creates Hunger and Obesity.* "Even when families still own farms, they often become subsumed to a capitalist flow-through system, where larger corporations, by controlling inputs and outputs, reduce the farmer to being an appendage of corporate specifications that predetermine the farming process" (83). Whereas a farmer traditionally controlled inputs and outputs in a self-sustaining farm the pressure of Market forces has created a need to rely on outside suppliers who each have their own "bottom line."

As consumer demand for fast food has grown the suppliers of fast food have looked for ways to decrease their costs in a competitive marketplace. The portions have grown while prices have dropped creating a condition where consumers can obtain large portions of non-nutritious food. "It is not just the high ration of calories to nutrients in most food that is served, but also the portions themselves have increased in size as much as five times since the 1950's and 1960's, when the fast food system was just getting off the ground" (121). Other pressures have taken place as well. As income inequality has grown families have used fast food as a cheap way to feed themselves. It is often less expensive to obtain fast food then to assemble a meal with whole foods.

Albritton points to the case of the tomato used on fast food hamburgers. "An industrial tomato farm, for example, must produce tomatoes that meet the price and quality requirements of a fast food chain, but in order to do this, it must be large enough to have the resources to buy an expensive input package which includes hybridized seeds, pesticides, chemical fertilizers, an irrigation system and a variety of tractors and mechanical inputs" (130). The tomato must meet product specifications put forward by the fast food chain. In this case, conformity will win out over flavor or nutrition as the tomato will be used in an assembly line production of hamburgers. This industrialized tomato is no longer meant to provide nutrition as much as fit on a specifically sized patty on a specifically sized bun in the assembly process of fast food.

Healing and the Health Care Industry

Although two journalists Donald L. Barlett and James B. Steele may have scant knowledge of archetypal psychology, their book, *Critical Condition: How Health Care in America Become Big Business & Bad Medicine,* provides an archetypal view of the tension if not conflict between market based health care and not-for-profit health care. Not-for-profit health care does not mean that health care providers provide service at an intentional loss. It means that they provide health care with an intention of covering cost but without the demand from investors to return a profit. However, profit alone does not drive as much of the behavior as the need for continued growth in revenue and specified profit margins. The continued demand for growth in profit margins and revenue illustrates the demands put on health care by "bottom line" thinking.

One of the cases in point is the growth in the drug sector of health care. As the authors pointed out in 2011, "In 1980, spending on drugs accounted for a scant 4.9 percent of total health care outlays. By 2002, it had doubled to 10.4 percent. It is now on its way to 15 percent" (35). Drug companies have a vested interest created by stockholder demands to create new drugs that will contribute to revenue growth and an increase in the profit at "the bottom line." This demand is not necessarily for drugs that will heal a patient. Continued demand creates an annuity for a drug company whereas a healing drug is a onetime source of revenue. "Only part of the increase is due to inflation. The rest is because pharmaceutical companies are selling more drugs to more people for longer periods of time, another indicator of a dysfunctional model" (35). From a "bottom line" perspective the best medicine for a drug company is a patented drug that eliminates competition sold to a population with a chronic non-fatal disease.

Barlett and Steele, are clear in calling out the Market archetype:

> Wall Street thrives on buying and selling. For America's most aggressive deal makers, health care has become the source of unexpected riches that even the most optimistic investment bankers did not foresee two decades ago. The move of moneymen into health care triggered on ongoing wave of mergers, acquisitions, consolidations, hostile takeovers, initial public offerings, spinoffs, failures, and bankruptcies. A field once known for stability of ownership has been traumatized by almost constant upheaval. This has made life miserable for doctors, nurses, and most of all, patients and their families, but it has been wonderful for the Street, creating endless opportunities for profit. (75)

Bartlett and Steele trace the original shift from the not-for-profit model to the for-profit model, "It is no accident that American health care became a profit center for Wall Street. The transformation of many not-for-profit providers into for-profit corporations was engineered by Washington in the early 1980s" (88). This change in health care coincides with the Reagan administration's drive to turn over segments of life and culture to the Market. "To encourage Wall Street to step in, the Reagan administration embarked on an ambitious plan to sell investors and venture capitalists on investing in health care" (89). This Market perspective returns to a Market fundamentalism that holds the belief that markets are going act in a rational and efficient way to meet the needs of consumers and investors.

While Barlett and Steele can be used to view the perspective of the Market, albeit with cynicism, Jeffery M. Lobosoky, M.D. offers a physician's view in *It's Enough to Make You Sick: The Failure of American Health Care and A Prescription for the Cure*. Lobosky can be read as writing from the Healing archetype:

> But medical care is not technology or pharmacology nor research. Medical care and the healing that ensues are the product of a sacred relationship between a patient and his or her physician, a relationship steeped in the tradition of the Hippocratic Oath, by its very nature intimate as well as emotional, infused with trust on the part of the patient and sincere caring on the part of the physician. As patients, we share privileged information with our doctors that may be known to no one else and we have faith that they will use that information to make us whole. (2)

Lobosky captures the tension between the archetype of Healing and the archetype of the Market. Healing is the art as well as science of restoring wholeness to a patient. The market dissects the patient in terms of parties in the market. Lobosky states that medical care is not technology, pharmacology, or research; however, the market divides a system that is meant to create wholeness into a system that is meant to extract revenues and profits based on service segments. Each of the areas mentioned are separate entities within the "health care industry". Technology providers, pharmaceutical companies, and research organizations, each have a separate "Profit and Loss" statement, and therefore a separate "bottom line" which does not depend on a whole patient.

In *The Economic Evolution of American Health Care*, David Dranove, a professor of Management and Strategy at the Kellogg Graduate School of Management, approaches the business aspects of the health care industry advocating that doctors add an MBA to their education in order to better understand the business of health care.

Social Media

This interpretation of technology and social media is primarily critiqued through C. G. Jung's interpretation of the concept of persona as the mask that is worn by the individual. "…the face we never show to the world because we cover it with the *persona,* the mask of the actor" (CW 9:43). Social media is a parade of personas as human beings post narratives, pictures and vignettes of an edited life used to promote what can labeled as personal brands.

Social media is a symptom of the ubiquitous market. Mark C. Taylor, chair of the Department of Religion at Columbia University, discusses the Hermes archetype as well as the traditional boundaries of the marketplace in *Confidence Games: Money and Markets in a World without Redemption*. "In its initial phase, the market was a place as much as a process" (68). The current market is everywhere rather than contained within a particular place. Historically the market was bounded. "The space of exchange was market by a boundary stone or a herm to identify the liminal territory of the sacred" (68). Markets moved from the outskirts of populated areas into the center of populated areas. "With the rise of the Greek city-state, the periphery migrated to the center and the agora became both the central market and primary gathering place for the community" (69). The contemporary market place is no longer a specific place, rather it is an ever present, all-encompassing entity by virtue of the fact that it resides in pockets and purses on smart phones and other communication devices.

Organization of the Study

Chapter 2 examines the narrative of “the bottom line” in terms of how the United States wages wars, specifically the outsourcing of war. At the end of the Cold War there was an expectation that a peace dividend would allow the United States to reduce its budget for military spending. However, with the first Gulf War, and the subsequent War on Terror, the U.S. has not experienced a lower demand for military capabilities. The military uses outsourcing as a way of managing “the bottom line” of war.

Chapter 3 explores the differences in house versus home, specifically in relationship to the economic crisis of 2008. There is a difference between a house, which is a physical structure, and a home, which is a psychological/archetypal construct which can be situated in a number of types of structures. This chapter examines the roles of multiple players in the real estate market, as well as the different ways that home owners behaved in the crisis with differences in managing “the bottom line” of a house in the real estate market and a home which is meant to provide security.

Chapter 4 looks at the narrative of food relative to agribusiness and processed food. The profitability of food can have an inverse relationship to nutrition. As agribusiness has come to dominate the way that food is delivered within the market, the narrative of the farmer as well as the narrative of food has changed.

Chapter 5 examines narratives of healing as characterized in the Hippocratic Oath and market driven health care with particular attention on the dynamic between patients and for profit players including pharmaceutical companies and insurance companies.

Chapter 6 examines technology, social media and interpersonal relationships where personal brands and virtual experiences create the market place of human interaction. This chapter also explains the communication technology which allows for the invasive nature of the Market in relationships. In addition is explains the technology used for data mining in social media and consumer relationships.

Chapter 2

Outsourcing of War

Market, Strategy, and the Dogs of War

From an archetypal perspective there are three primary archetypes involved in what is singularly named “War”. The archetypes can also be associated with stages of war which starts with planning including strategy and an assessment of the enemy’s capabilities in an effort to outmaneuver, intimidate, defeat or destroy the enemy. In the strategy of war human beings attempt to make rational plans for a non-rational endeavor. Once planned, a war must be financed. The marketplace and “the bottom line” enter at this point which includes considerations for managing “the bottom line” through outsourcing. The third stage is the execution of war on the battle field. Although war planning and financing contains strategy and wisdom the inhuman nature of war pays no heed to rational plans.

As the economy becomes more of a singular myth, human activity is described and experienced in the language of the Market and the Economy —investment, return on investment, profit and growth. Although there is profiteering during war and a return on investment may be planned as part of a war strategy, once humans engage on the battlefield there is no predictable behavior once violence and destruction erupt. War will always exist within the human condition; however, it is naive to think that once the dogs of war are unleashed they will respond to their masters. The instinct of destruction will overpower any rational plan to manage the “bottom line”.

War has always had a profitability element; however, historically war profitability centered on plunder and the redistribution of wealth from the defeated to the victor.

Without plunder contemporary warfare is pure expense. The United States does not consciously maintain an image as a plundering nation. The Marshall Plan after World War II was the opposite of plunder as the United States provided much of the capital for the rebuilding of Japan and Western Europe thereby turning foes into allies during the Cold War to follow.

War can end in victory, defeat or stalemate. During the conduct of war reports from the battlefield are made in terms of the enemy's position, numbers killed on both sides, civilian casualties, geography won or lost, and required supplies and logistics. These reports indicate the likelihood of victory or defeat. The expense of war is always of concern as the treasuries of kingdoms and countries have on many occasions been emptied due to ill-conceived or poorly executed wars. In the past, the treasury of the victor was restored by looting the defeated enemy's resources.

In the planning stages for the war in Iraq the United States did have a plan to repay the cost of the war with oil revenue from the sale of Iraqi oil reserves, but this plan never came to fruition because the Bush Administration failed to consider the undesirable effects of defeating a dictator who quashed sectarian conflict. "Operation Iraqi Freedom" liberated not the population of Iraq but the violent expression of sectarian conflict.

The looting of priceless historical artifacts created as much "Shock and Awe" as the bombing at the outset of the war. However, the United States did not benefit from that looting activity. The real looting happened when the Bush Administration gave carte blanche contracts to outsource contractors such as Halliburton and their KBR subsidiary at the outset of the wars in Afghanistan and Iraq. The rational planning of war collapsed under the real conditions of unanticipated civil wars which also included outside mercenaries. The United States Government ended up entangled in civil wars which consumed resources at a rate that had not been anticipated in the hurried planning leading up to the war.

The Unrealized Peace Dividend

At the end of a period of war it is imagined that a society will return to a peacetime economy. In other words, the society will no longer need to spend resources on manufacturing munitions and maintaining a standing army in the numbers required for the conduct of war, thereby realizing a “peace dividend”. After World War II, the United States enjoyed a period of prosperity rather than recession since U.S. manufacturing remained out of the conflict’s reach. It grew and remained intact during the war and continued to grow thereafter. As the Marshall Plan was implemented American industry benefited from being the only fully operational industrial power. World War II did not end with global peace or a “peace dividend”, but rather the conflict evolved into the Cold War which was a conflict between Western Capitalism and Democracy and Soviet Communism. World War II concluded with the first use of nuclear weapons upon a civilian population and “East” and “West” launched into an arms race centered on standing armies and the threat of mutually assured destruction in nuclear war.

The United States was involved in two major conflicts during the Cold War, the Korean Conflict and the Vietnam War. The Korean Conflict, which started in the 1950’s, remains unresolved with American troops still stationed in South Korea. The United States became involved in Vietnam in 1961 when President Kennedy sent advisors to South Vietnam. Involvement in the conflict escalated in 1962 with the Tokin Gulf Resolution which gave President Johnson expanded authority to conduct war in Vietnam.

The conflict ended with the Paris Peace Accord in 1973. South Vietnam fell to North Vietnam in 1975. The country was unified under communist rule in 1976. The Vietnam experience left the United States with a collective image of a defeated army and questions about its military superiority. Neither the strategy of war nor the execution of war had favored the United States.

Rather than televised images of victory and righteous action the images on American television sets were of slaughter on the battlefield and social unrest in the American youth culture. The doubts about American military capabilities were deepened in April 1980 with a failed mission by the Carter Administration to rescue hostages in Iran. Following the Carter Administration the Reagan Administration sought to end the Cold War which included restoring the image of a successful military apparatus. The Reagan Administration also rekindled the arms race with the Soviet Union in order to place economic pressure on the Soviet industrial system.

At the same time that Ronald Reagan was preaching the good news of “free markets” and small government the United States was spending more and more money on the arms race to defeat “The Evil Empire” by outspending the Soviet Union on the accumulation of arms and support of a standing army. The Soviet system finally buckled under the pressure to keep up with the United States in the arms race. At the end of the Cold War it was assumed by the government and the populace that the United States would reduce military spending and collect a “Peace Dividend”.

Ronald Reagan left office in 1988 with his Vice-President, George H. Bush, becoming his successor. The Berlin Wall had fallen and the Cold War was concluded with the dissolution of the Soviet Union. In *Drift: The Unmooring of American Military*

Power, Rachel Maddow describes the 'peace dividend'; "the Soviet Union was slain. We'd won the Cold War. It was time to do what we did after every big war: draw down the number of troops, pare the defense budget, reroute tax dollars to domestic spending" (168). Following the dissolution of the Soviet Union the United States was the only remaining "Super Power". From a "bottom line" perspective there should have been a payoff, a return on investment, for winning the Cold War which would include a sizeable reduction of defense spending.

George H.W. Bush spoke of "the new world order" in which conflicts would be resolved through diplomacy and the rule of law thereby decreasing the need for military spending. This "new world order" would include reforms in direct spending on military personnel as described by Elke Krahmann in *States Citizens and the Privatization of Security*, "The end of the superpower confrontation facilitated these reforms because it seemed to usher in a more peaceful 'new world order 'which permitted significant cuts in government defense spending and the size of the armed forces" (119). Following the end of the Cold War there was a short period of time to hold the ideal of conflict resolved through diplomacy rather than armed conflict which ended with the invasion of Kuwait in August of 1990.

The Gulf War began on January 16, 1991 and ended on February, 27 1991. This "efficient" war seemed to indicate that war could be planned and executed in full consideration of the "the bottom line". The United States would simply ramp up, deliver a deadly blow to the enemy and make a victorious return home. However, as part of the need to contain Saddam Hussein following the war the United States military forces remained in Saudi Arabia which became part of Al Qaeda's list of offenses committed by the United States culminating in the September 11, 2001. If total defeat had been the goal of the war the United States would have pursued Saddam Hussein back into Iraq and removed his regime; however, the United Nations mandate creating the international coalition only called for his expulsion from Kuwait. President Bush knew that the American public would prefer a “quick and efficient” war that appeared to have a positive “bottom line”.

The “New World Order” come to an end as Saddam Hussein failed to respond to United Nations Security Council sanctions prior to the war. Maddow describes the political terrain that would consist of multiple threats from small states or independent entities rather than a single large threat from an opposing superpower. “The basic idea was that in this dangerous world, where threats to our national security could rear up in the Middle East, or the Korean Peninsula, or even in the Americas, we had to be ready to move quickly, and maybe into more than one place at a time” (171).

In the midst of the Internet bubble and perceived success in the 1990s other threats to America were present, yet not fully realized. During the 1990s it appeared that the United States and Capitalism had “won” and the victory in the Gulf reflected American military might. However, in 1993, the World Trade Center was bombed, and in 1998 American embassies in Kenya and Nairobi were bombed. Although these events were all significant news stories, they did not awaken the America consciousness to the dangers in the world.

In the early years of the 1990s the United States experienced an economic recession. Although George H. Bush had lead the country in a successful military campaign he lost his bid for reelection based on the state of the economy and William

(Bill) Clinton was elected President of the United States in November of 1992. During Clinton's administration the United States experienced a period of economic expansion driven by the Internet financial bubble.

Limiting Costs While Awaiting Conflict

The United States had not concluded the drawdown of military forces following the Cold War before the first Gulf War erupted. Since the drawdown was not complete the costs of maintaining a standing army persisted. This included payroll, health care, pensions, and as Maddow points out, childcare, all of which have a negative effect on "the bottom line".

> A Pentagon study in 1995 figured it cost $6,200 per toddler, per year, to provide daycare for the youngest military dependents. And there were 575,000 pre-school children in US military households around the world. As an employer, the military had to accept all those dependents as its responsibility; they were an enormous chapped-bottom drag" (157).

The cost of day care was one of the many costs attached to maintain a standing volunteer army. As an employer the army has to offer competitive benefits within the labor market for soldiers who may also be mothers and fathers. When called into active duty these mothers and fathers require support mechanisms for their families. The expense of supporting the soldier and his/her family is part of the overall expense associated with military personnel. Traditionally, a society must make choices to bear the cost of defense.

One of the classic models in economics is the "Guns or Butter" model which states that a society chooses between guns and butter; if there are munitions to be made then less butter will be made. In other words, domestic spending would be reduced to pay for the expense of war; however, following World War II the civilian population of the United States has not been required to make the same conscious sacrifice for war efforts other than those made by drafted and volunteer soldiers and their families. The democratically elected government tends to treat its constituencies with kid gloves when it comes to spending choices, as if each representative was a tentative parent trying to prevent a tantrum for a child who can't have every material item they demand.

In light of the continued pressures on the economy from continued spending on military costs with renewed thinking on perceived threats to national security, outsourcing of military capabilities made its way into the "bottom line" thinking of the United States government. In addition to funding child care, there was the significant cost of maintaining a standing army that was not actively pursuing threats after the first Gulf War.

The makings of the wars in Afghanistan and Iraq were in progress; however, there was no desire to pursue the threats and engage in war without overt provocation. Since the first bombing of the World Trade Center and the bombing of the embassies in Africa were seen as isolated terrorist threats, there was no full scale utilization of military power. There were a large number of military personnel with little to do. "How were we supposed to ensure our Last-Superpower-on-Earth superiority when just the overhead cost of keeping our standing army milling around was swallowing between 40 and 50 percent of the Pentagon's annual cash allotment?" (Maddow 159). "The bottom line" had an active role in the imagination of the United States government, when contemplating the costs of maintaining national security.

With the end of the Cold War followed by a rapid victory in first Gulf War and what appeared to the civilian population to be random terrorist threats, it seemed to make little economic sense to maintain a standing army in what was considered peacetime.

The military-industrial complex is a combination of the three forces identified at the outset of this chapter; commerce, the strategy of war, and the execution of war. In this relationship between the military and industry, commerce flows with the military and vice versa. Industry used outsourcing to scale back and “right size” organizations in the economic slowdown in the early 1990s. Since industry and the military are interconnected the United States government and military had the same options as corporations faced with negative numeric narratives:

> There was only one glimmer of hope for peeling away some of this impervious-to-downsizing overhead. It was a technocratic little solution that had morphed in just a few scant years—and with much forethought—from a slightly distasteful option of last resort to the last viable remedy; Outsourcing. Privatization, Civilian Augmentation. In other words, can’t we get someone in here who doesn’t come with day care costs?” (Maddow 160).

One of the largest perceived benefits to “the bottom line” as a result of outsourcing is the detachment of people from organizations so that they can be inserted and removed based on Market demand, in this case trying to balance the Market demand with the demand for War.

What is Outsourcing?

Outsourcing became a popular business strategy during the economic recession in the early 1990s. The purpose of outsourcing is to pare down a company to only those functions which are determined to be core competencies. All other business functions, cleaning, copying, answering customer calls, etc. are then evaluated for outsourcing to other companies who have a core competency or cost advantage in providing the product or service.

A core competency can be described as an area where a company has an economic advantage which may include specific human competencies or functions that cannot be commoditized or easily replaced. For example, many companies outsource Information Technology (I.T.) functions to companies that specialize in software development or support. These companies tend to have competency as well as cost advantages in providing I.T. services. Call centers are frequently outsourced as well. Companies also purchase customer service capabilities from other companies in order to maintain low wages and benefits in what is seen as a commodity position. Taking phone calls and listening to customer complaints is rarely viewed as a core competency other than by companies that specialize in taking phone calls and listening to customer complaints.

Outsourcing is considered a way to improve “the bottom line” as it is imagined as a means of reducing cost risks, disassociating the company from employee pay and benefits while creating at least the theoretical ability to increase or decrease resources based on market conditions. For example, Information Technology is a rapidly changing field which requires companies to make continued investments in equipment and personnel. Information Technology is also a field of constant innovation and change resulting in constant obsolescence.

In general, successful companies that specialize in technology protect their "bottom line" through continually making their own products outdated with improvements that continue to attract or retain customers. The intention is to make the products already owned by their customers less desirable over time so that they continue to purchase new or upgraded products. Apple is a prime example of a company that makes its phones obsolete by continually introducing new versions of the iPhone. If a company does not have a cost advantage in managing this game of obsolescence, they can outsource their Information Technology department to a company that is considered more competitive at managing costs and change.

The narrative of "the bottom line" can be altered through the use of outsourcing. On the basis of numerical narratives contained in spreadsheets forming "Profit and Loss" statements, outsourcing appears to provide a cost advantage to companies; however, companies have to expend significant resources in order to set up a successful outsourcing relationship. One obstacle to successful outsourcing is the communication and transfer of culture and brand identity to and from the supplier of the outsourced function. If a company has a strong brand identity and they outsource their call center the outsource service provider must project the same values or brand as the contracting company that is purchasing the outsourced service. One of the issues with outsourcing military functions is the survival of the image and brand of the United States.

The United Sates is constantly managing its brand through a combination of diplomacy and military action. There are two sides to the use of military resources in the

"War on Terror" which played out in Afghanistan and Iraq. There is the side of the brand that emphasizes the military might as exemplified in the bombing of Iraq in the "Shock and Awe" period of the war. Following "Shock and Awe" there was an effort to win the "hearts and minds" of the local populations as United States' image turned from liberator to occupier.

Another brand challenge was the revelation that the United Sates was conducting "enhanced interrogation" which is not included in the brand promise of the liberator. The United States outsourced some enhanced interrogation to other countries with less brand equity involving the rule of law. The United States government was attempting to manage the brand and "the bottom line" by outsourcing interrogation that was within the core competency of other regimes and states. The initial intent of outsourcing and the accompanying legislation was to limit the cost of logistics.

LOGCAP, Also Known As Outsourcing

The outsourcing program used by the United Sates military has an obfuscating name, the Logistics Civil Augmentation Program, (LOGCAP). This is the program used to authorize and fund the use of non-military personnel to perform certain functions in support of the military. At its inception LOGCAP was viewed as a reform, a way to reconfigure the scope of government and military resources headed by Al Gore. "The reforms were headed by Vice-President Al Gore whose National Performance Review sought to identify the potential for reducing the scope of government" (Krahmann 122). Reform is a restructuring but it can also connote a moral quality in addition to religious associations evoking reform school or the Reformation. In either case, corruption is removed from the person or entity being reformed.

Quoting Al Gore, Maddow writes " 'Outsourcing or privatization of key support functions, with the strong prospect of lowering costs and improving performance, is under way under the leadership of the Deputy Secretary of Defense, 'trumpeted Gore's 1996 report on the streamlining of the Defense Department" (173). There is a model used in business that says you can choose two of the following; good, cheap, or fast. You can't have all three. However, business usually demands, yet rarely delivers, all three. Although outsourcing would allow the United Sates to obtain scalability of military resources there are always unanticipated expenses in outsourcing especially when the transition to an outside provider is performed in a quickly planned war.

The wars in Afghanistan and Iraq were hastily conceived and initiated; however, both continued far longer than anticipated in initial strategy sessions. The political desire to punish and destroy those responsible, directly or indirectly, for the events of September 11, 2001 compelled the Bush Administration to launch wars that would become dependent on outsourced resources for logistics and security.

After significant expenses were realized during the wars in Iraq and Afghanistan, the government turned its attention to the details of the outsourcing agreements that had been put in place in the rush to war. Trillions of borrowed dollars were paid to outside contractors to provide services to the military. A review of the program, entitled "Logistics Civil Augmentation Program Task Orders 130 and 151: Program Management, Reimbursement, and Transition. October 30, 2007," contains the following:

> The Army's LOGCAP contract is a contingency umbrella contract that is considered 'a contract of last resort' for customers because of the potential additional costs associated with this type of contract. Contingency

> contracts are primarily designed for areas where emerging requirements are the norm, rapid response is required, and/or conditions are such that normal sustainment type contracts are not competitively available. Under contingency contracts the government typically assumes the financial risk with the use of cost-plus award fee contracts. Once a condition stabilizes and a reasonable determination can be made as to the quantity and type of contract work that will be required to support a mission, customers should transition out of contingency contracts into more normal cost-effective contract. (ii)

This paragraph states that the United States military entered a situation without a certain end state or strategy with guaranteed volume requirements for logistics. Since this would impact “the bottom line” of the outsourcing companies the United States government had to insure “the bottom line” of contractors. In other words, the United States could not define resource requirements, so it paid a premium for fast delivery while insuring the outsource companies’ profitability. By making these types of agreements the United States received the resources, but at a premium cost. The fury and chaos of war proved profitable for outsource suppliers. The paragraph also states that after the dust settles the contract could be renegotiated for more “cost-effective” utilization. This is an example of market based plunder of war. The United States military was being plundered because it could not forecast demand. This is a simple business principle when it comes to pricing; demand escalates as the war escalates, so prices escalate.

Although outsourcing can provide benefits it also takes significant structure to plan and manage an outsourcing agreement. There are service level agreements which detail processes and service standards. This is reasonable when a company has time to plan, document, and forecast a rational business relationship, but it does not apply to the irrational reality of the conduct of war. The cycle of growing demand and growing expense continually puts pressure on "the bottom line". Instead of narrowing the scope of outsourcing, the practice expands as more resources were required.

In retrospect, it is apparent that the fury of war does not create conditions for rational decisions about costs. The outsourcing of military functions was planned in the relative calm between the conclusion of the first Gulf War, which appeared to prove American military superiority to rogue dictators and the events of September 11, 2001. A U.S. Department of Defense report entitled, "Improving the Combat Edge Through Outsourcing," which was published in March, 1996, and available on the Department of Defense web site contains the following:

> Our success in ending the Cold War has ushered in sweeping changes to the Department of Defense. The United States no longer faces a long and protracted conflict with a rival superpower. Instead, we must be prepared to fight and win two nearly simultaneous regional conflicts. These conflicts are often described as "come as you are" wars, meaning that there will be little lead time for mobilization or surge of production capability. They will require rapid transportation, tailored and flexible maintenance for support and greater reliance on private sector suppliers.

> These conflicts will be technology intensive. Technology has improved our lethality, precision and mobility. As a result, victory will require dominating flows of information and communication. As our warfighting scenarios have changed, so too have attendant support functions. Best business practices, tempered by risk and threat assessments, must be used to determine where outsourcing, privatization and competition can improve the performance of these activities.

The first paragraph containing phrases such as, “no longer faces a long and protracted conflict with a rival superpower…prepared to fight and win…little lead time for mobilization or surge in production,” anticipate the political and military requirements ahead. Since December 2001, counter to what was stated in the report, the United States has been engaged in a long and protracted conflict caused by the uncapping of sectarian violence in civil wars rather than a conflict with a rival super power.

The United States has a persona in both Afghanistan and Iraq. One persona is that of protector of capitalism and democracy resulting in “freedom”, a monotheistic view of the situation with a rhetorical belief that the United States can make a choice in respect to the “freedom” of other people and cultures. The “freedom” resulting from both wars has been an extended period of chaos. Oppression is returning to replace the chaos with the Taliban in Afghanistan and Iran’s increased influence in Iraq. The Bush Administration made a “bottom line” decision, believing Saddam Hussein’s defeat would free the Iraqi people and provide additional oil production once the oil fields were renewed.

In the second paragraph, the term “best practices” is used. This may be an appropriate term in an industrial park office filled with cubes and people wearing business casual attire who believe they are “at war” with the competition. It is an absurd statement to make when fighting a guerilla war involving sectarian conflict as well as outside insurgents trained in guerilla warfare. The United States was using transport vehicles that could not sustain the impact of improvised explosive devices (IED) created by an insurgency rather than an opposing superpower. One of the terms used in the aftermath of September 11, 2001 was “failure of imagination”.

The Bush Administration failed to imagine any outcome other than the monotheistic version in which Iraq would turn into a thriving democracy with a healthy oil export business within a short period of time. The view of a welcomed liberator conceived of a temporary reliance on outside suppliers. The narrative of a short war using outsourced resources followed by increased oil production was most likely supported by a spreadsheet.

Spreadsheets and War

Spreadsheets, computer applications which enable rapid calculation of numeric scenarios, are part of the virtual world in which imagined financial possibilities are used to support storytelling around “the bottom line”. For example, in business, a spreadsheet might be used by an analyst to create a model that supports a corporation’s decision to lay off employees and outsource a particular function. As part of the process of creating a spreadsheet model the analyst collects data that consists of the hourly wages of employees, the cost of benefits provided to employees, and the overhead costs associated with their employment. Overhead may include items such as the cost of office space required for the employee during their working hours or the I.T. costs associated with a position. Purportedly everything having to do with having an employee as opposed to using an outsourced resource can be monetized, or put into a numerical model to support a narrative.

Spreadsheets are used for forecasting not fortune telling. One of the factors that can affect the price of a stock is the ability of an organization to meet their financial plans and projections on a quarterly basis. Publically held companies must publish projected earnings based on three month quarters. The company creates a story to tell the investment community. If the story is not realized for a three month period, if earnings do not meet the projections or narrative supplied by the company, the price of the stock will usually suffer. However, a spreadsheet cannot predict interruptions in the supply chain due to, say, a tsunami that obliterates a supplier in Japan.

The war plan on a spreadsheet is subject to the tsunami of battle. It is a supposedly rational plan for what will erupt into irrational violence. The ambiguity is not centered in the irrational nature of war, it is in the conception that war can be rationalized or put into the cells of a spreadsheet to add up to a positive “bottom line”. The economics of war planning, the projections on spreadsheets are not going to withstand the chaos of war.

Although war can be planned its outcome cannot be accurately predicted. The fantasy of a rational war is a phantasm in that it is actually an image formed in the field of commerce rather than an image formed in the field of War. It would seem that those who are involved in the outsourcing of war, recognize how to take advantage of this reality. They are profitable because they can depend on the chaos of war to make the margin.

An outsource provider is profitable as long as they create an agreement that will allow them to leverage any unforeseen circumstances that lead to greater demand. Part of a contract for outsourcing is a service level agreement. The outsource provider will provide services at a stated volume and rate. Above the stated volumes the outsource provider can refuse additional services or add a premium to providing additional services.

One of the benefactors of the plunder of war is KBR. As a division of Halliburton at the outset of the wars in Iraq and Afghanistan, KBR was awarded an agreement to provide logistics to the U.S. Army. Through the use of outsourcing to companies such as KBR, US-trained soldiers would no longer do the laundry or work in the mess tent. However, with a further stretch of outsourcing they would also have armed contractors fighting beside and between them.

Soldiers versus Contractors, Oaths and "The Bottom Line"

In *States, Citizens and the Privatization of Security*, Elke Krahmann, provides some of the key distinctions between soldiers and contractors. These distinctions can be considered the same for outsourced functions in a corporation as well. The employee of the firm offering the outsourced service is bound not by a sense of duty or loyalty to the organization, but by a service level agreement. Part of the reason that an organization outsources work is to limit the connection to the person providing the work. The model states that the person delivering the service is only hired or available for the specific service. In theory, the person providing the service has no identity other than as the provider of the named service within the terms of the service level agreement. The government hires outsourced resources based on this same principle of having a commercial contract rather than a social contract with the individual or company. In the case of war, it limits the “skin” in the game or in the case of a contractor’s death, it limits the obligation of the U.S. government to pay death benefits to survivors.

Kahmann describes the difference between a contractor and a solder, including archetypal elements in the difference between one who serves from a contract and one who serves from a sense of duty.

> …the primary feature of the private military contractor model is the disconnection between military service and the state. While the citizen-solder model is defined by mutual obligation and the professional soldier model by unilateral duty, the private military entrepreneur is only bound to the state through a temporary law contract. The military contractor does not have any ultimate liability to defend the state with his or her life. (46)

To further illustrate this difference, one can consider a contractor signing a contract for work which includes the terms of commerce verses a soldier sworn into service. The “Oath of Enlistment” published on the United States Army web site reads:

> I, _____, do solemnly swear (or affirm) that I will support and defend the Constitution of the United States against all enemies, foreign and domestic; that I will bear true faith and allegiance to the same; and that I will obey the orders of the President of the United States and the orders of the officers appointed over me, according to regulations and the Uniform Code of Military Justice. So help me God." (Title 10, US Code; Act of 5 May 1960 replacing the wording first adopted in 1789, with amendment effective 5 October 1962). (Army Web)

A contactor signs a commercial contract to fulfill a commercial responsibility. A commercial contact would make no mention of the Constitution, obedience to the President and commanding officers, nor God. The God mentioned in this oath is the same “In God We Trust” on U.S. currency, but the gods of war and the gods of commerce are different gods. Outsourced participation in war puts the participant in the territory of commerce more than the territory of War. It is a different state of mind or being that reflects a commercial agreement. “The second characteristic distinguishing the military contactor model from the professional soldier is the profit motivation” (Krahmann 47). What are the images in the mind of the soldier taking the oath of service in the military versus the images in the mind of the contractor who was employed to provide services in Iraq?

There are ideals and images of service, duty and loyalty in the oath of service sworn by the person entering the United States Army. Whether those ideals are met, are another matter, but there is a poetic narrative inherent in taking an oath and swearing allegiance to the Constitution and the President. The poetry may be that of an epic tragedy. There is little poetry in an employment contract. By referencing the Constitution, the soldier is swearing allegiance to the document that also states how the United States goes to war through an act of Congress, not the desire of the President. The Constitution also serves as the document that was created to ensure that the United States Congress makes the conscious decision to put soldiers in harm’s way. The oath is clear on where allegiances should lie; however that is not the same for a contractor.

Part of the purpose of military outsourcing is to hire “local”, or at least more local to the theater of war. These “human resources” also known as people and persons are hired to manage tasks that are deemed outside of the military's strategic mission. An aspect of outsourcing is obtaining "human resources" from countries with low wages. In other words, the outsourcing of war is conducted much like manufacturing outsourcing which relies on human labor from developing countries with below market wages.

Part of military training is the formation of identity as a soldier, Krahmann continues to illustrate the differences between the contractor and the soldier. "Thirdly, military contractors lack a distinct professional and collective identity which would ensure their compliance with professional military norms and standards" (47). A contractor does not make a statement about loyalty to the United States Constitution or to the President. There is no duty to the chain of command as a matter of honoring an oath. Within the military there is a collective identity with an associated narrative about service, honor, and codes of conduct. Contractors do not have this same identity nor do they belong within a narrative of service, honor, and codes of conduct.

One determinant of successful outsourcing is training. Many companies that lack experience in managing outsourcing relationships do not account for the upfront expense of training. The employees of the outsource provider must be trained in process and procedure. If this does not occur they are not going to perform as well as direct employees perform.

One aspect of entering into the military is basic training. It is an initiation into military service which breaks the civilian identity and creates a soldier identity associated with a group; however, this rite of passage may not occur with a private contractor as there is significant cost to this transformation. "Many private military contractors do not even have basic military training. Military contractors also do not develop a collective group identity" (Krahmann 47). The expense of basic training would be considered a drag on "the bottom line" of a private contractor as it is almost pure expense. Depending on the culture of an organization, training is often seen as pure cost. Although it enables employees to do their jobs and become indoctrinated into a culture, the employee is not generating revenue when they are in training.

Without training and a rite of initiation that forms a group, individuals are a set of individuals rather than a corps of individuals. There is no unifying group identity created through training and indoctrination. In addition, since contractors may be "sourced" from various locations based on wages available or not available in home countries there will be disparate groups. "Contractors are typically thrown together with others for a particular operation with little training and preparation. The mixing of different nationalities and backgrounds also inhibits the formation of a collective identity" (Krahmann 47). This "bottom line" perspective creates a group that will most likely fail under pressure. A group that has been trained and indoctrinated into a corps has developed cohesive and instinctual responses to command, one of the main purposes of basic training. The military culture is overshadowed by the culture of commerce in outsourcing. Outsourcing companies do not use the language of the military to explain their business to investors. They use the language of commerce.

Halliburton and KBR, We Need More War

One of the outsource companies that was awarded government contracts for outsourced service to the United States military was Halliburton. At the outset of the war, their subsidiary KBR provided logistics services. Halliburton "spun off" KBR with an initial public offering in 2007. Halliburton was able to raise $933 million from the disposition, as stated by Halliburton in their *2008 Annual Report*.

> In November 2006, KBR, Inc. (KBR), which at the time was our wholly-owned subsidiary, completed an initial public offering. During the second quarter of 2007, we completed the separation of KBR from us and recorded a gain on the disposition of KBR of approximately $933 million, net of tax and the estimated fair value of the indemnities and guarantees provided to KBR, which is included in income from discontinued operations in the consolidated statements of operations for prior years. (9)

Halliburton was about able to further monetize the plunder of war by spinning off KBR into a separate company. It was fortuitous timing as it appeared that the conflicts in Iraq and Afghanistan were winding down and the true boon of the two Wars had been realized. In addition, the carte blanche contracts that had been signed at the outset of the wars were going to be up for competitive bids. Since KBR depends on war to make their “bottom line” Halliburton made an astute financial decision to let go of the subsidiary and strike before the iron went cold.

KBR was then on its own to find more war to sustain its “bottom line. As part of an annual report, a company weaves a narrative about past performance as well as providing an outlook for the future. KBR’s *2009 Annual Report* included.

> KBR continued to operate at a very high intensity level in support of military forces in Iraq and Afghanistan, while preparing for expected changes in its business environment. Going forward, a reduction of the forces deployed in Iraq will dramatically reduce work under LogCAP III,

> and the transition to LogCAP IV in Iraq and Afghanistan will create increasing competition for expeditionary logistics services provided to the U.S. military. (5)

As part of the narrative in KBR's annual report, the company refers to war conditions as the "business environment." From a business standpoint the removal of troops from Iraq and Afghanistan is a negative business development. KBR's "bottom line" is negatively impacted by the reduction of troops and the associated need for logistics support. In addition, KBR will face greater competition when contracts are put out to bid among competitors rather than being summarily granted to KBR. What could be viewed as positive news in the withdrawal of troops from Iraq is a negative development for KBR's "bottom line" and further business prospects.

Despite the negative development for KBR in the drawdown of troops in Iraq, KBR still puts a positive spin on future developments to assure investors that War will continue to provide a return on investment. The narrative in an Annual Report is focused on gaining continued investor support for the company's management team. Annual reports are sometimes written to be read "between the lines". A wise investor learns to trust a combination of what is said by the company and what is said by industry analysts about the company.

The narrative in KBR's annual report continues:

> The largest services supplier to the U.S. Army, we are building on our track record to broaden our customer base. We see attractive future opportunities, both in the U.S. and abroad, with other military branches

> and government agencies, including the U.S. State Department and the Department of Homeland Security. (5)

At the outset of the wars in Afghanistan and Iraq, KBR benefited from being awarded contracts without having to bid against competitors which put KBR in the position of being the largest service supplier to the U.S. Army. The business end of war is noted in the narrative of having a "track record". The question arises as to how KBR will broaden their customer base. They will have to find more war. The worst case for KBR's bottom line is global peace. Fortunately for KBR's bottom line War is not going anywhere, which can be seen as the "attractive future opportunities" mentioned in the report. War is an archetypal part of the human psyche. If KBR has a business development group they would best serve KBR's "bottom line" by creating more conflict and disrupting diplomatic efforts. They don't need a full scale war as much as long term deployments of troops that require logistics support. Military occupations are profitable business for KBR as they require long term logistics support.

From a business standpoint KBR benefits most from protracted engagements without definitive results or troop withdrawal. In this case, quarterly earnings become more predictable which improves investor confidence. They will also be best served if they can be stationed in heavily secured areas. This way new employees do not have to be acquired if there is a successful assault by the enemy. There would however be some opportunity to lower overall costs if the enemy were able to kill higher paid employees who could then be replaced by lower cost employees. This is after all the basic model of outsourcing, constant lowering of employee costs.

The long term occupation of Afghanistan signaled positive news for KBR:

> We also made progress toward expanding and balancing our customer base with awards from NAMSA, the contracting arm of NATO. Against stiff competition, we won all three elements of a contract to manage airfield services, catering and hard facilities management at Kabul International Airport. As the hub for NATO operations in Afghanistan, the airport is undergoing a major expansion to accommodate the demands of increased activity in this theatre of operations. (5)

KBR's customer base consists of governments and military. Once again they are using the language of commerce to describe their success in the theatre of war. KBR has substituted "operations" for war. They are operating in a theatre of war. Their customers are governments and military that make up the North Atlantic Treaty Organization (NATO). "Increased demands in this theatre" can be "read through" as more long term conflict in the future which also means that more human beings are engaged in the irrational violence of War.

As part of any Annual Report, a company must identify "Risk Factors" which outline any developments which may have an adverse effect on "the bottom line". KBR identifies the fact that they were awarded as exclusive contract as part of LOGCAP III, however, they were only awarded a portion of LOGCAP IV. They will have to locate additional revenue from other war zones in order to make up for the loss in revenue.

> We derive a significant portion of our revenue from contracts with agencies and departments of the U.S. government which is directly affected by changes in government spending and availability of adequate funding. For example, we are currently the sole service provider under our

> LogCAP III contract in the Middle East and elsewhere and have been awarded a portion of the LogCAP IV contract. However, the current level of government services being provided in the Middle East will not likely continue for an extended period of time and we expect our overall volume of work to decline as our customer scales back its requirements for the types and the amounts of service we provide. (23)

One of the risks for KBR is the cessation of hostilities. There are two factors that will have a negative effect on this company's "bottom line", peace and short lived conflicts. KBR will have to modify their pricing in order to win additional business to make up for the lost business due to troop withdrawal. KBR is facing two challenges that it must meet to continue to provide a return to investors. They must find more war to support and they will have to change their pricing structure in order to be competitive.

In order to continue to meet the demand for growth and profitability KBR needs to find much more war. If they are faced with competition their per unit revenue, whatever that unit may be, will be lower. If a corporation has lower revenue per unit they must sell more units or increase volume in order to increase overall revenue. Another way to preserve margins is to reduce unit costs. If they can find more people to work at lower wages under new contracts they can also maintain their margin. The business imperative is to find more war "units" and in the face of lower revenue, lower the cost of each unit.

> We will face rigorous competition and pricing pressures for any additional contract awards from the U.S. government, and we may be required to

> qualify or continue to qualify under the various multiple award task order contract criteria. (23)

In addition to the risk of peace there is also the risk of loss of life. KBR is compelled to acknowledge the fact that the human beings in their employ may be killed in the theatre of war.

> Some of our services are performed in high-risk locations, such as Iraq, Afghanistan, Nigeria and Algeria where the country or location is suffering from political, social or economic issues, or war or civil unrest. In those locations where we have employees or operations, we may incur substantial costs to maintain the safety of our personnel. Despite these precautions, the safety of our personnel in these locations may continue to be at risk, and we have in the past and may in the future suffer the loss of employees and contractors. (32)

KBR is obfuscating, perhaps refusing to use the language that more directly describes the fact that their business is the business of war. “High-risk locations” can be translated to “war zones”. “Civil unrest” can be replaced with “Civil War”. KBR does not speak directly to the fact that some number of employees will be killed in these areas. These human beings will be killed as a “cost of doing business”.

Although KBR is using a narrative that they take precautions and focus on security the company must do a cost/benefit analysis on the cost of providing security versus the benefit of keeping employees safe. If the company is run by “sound” business principles there is a ceiling to the amount of money that will be spent on employee security. “The bottom line” can only accommodate a specified expense related to employee safety. After a certain amount of expense it becomes more profitable to "lose" employees than to provide absolute security.

War is Waste

Outsourcing is centered in a concept of efficiency and the elimination of "waste" or spending on resources that can be purchased less expensively than manufactured directly by an organization. Al Gore's initiative in the 1990's had the purpose to eliminate government "waste" by using the same practices used in business, one being outsourcing.

There is waste in war regardless of the calculations made on spreadsheets and presented in war room strategy meetings. The efficiency expected in business is only available if there is a stable environment. One of the most important factors in the success of business in the United States is the rule of law and an environment where the government, at least is concept, does not act capriciously. Stability is the key to efficiency and the ability to manage "the bottom line" predictably.

War is by its very nature chaotic. The purpose of waging war is to inflict chaos on the enemy. The "Shock and Awe" strategy used at the beginning of the war in Iraq centered in creating physical and emotional damage on the populace in order to overwhelm the government of Saddam Hussein. Although the United States stated that it would only bomb military targets, those targets where in the middle of populated areas. The bombs may have hit the military targets; however, they created civil chaos.

The purpose of bombing key military targets is to lay waste to the enemy. The United States used "bunker buster" bombs, which were designed to be efficient in their destructive capabilities. The strategy of laying waste to the military targets was meant to be an efficient use of military power that would overwhelm the enemy and bring the war to a quick conclusion. The pictures of George W. Bush flying on to an aircraft carrier with a sign “Mission Accomplished” was a tribute to “bottom line” thinking, except that war is not subject to efficiency, despite the design of bombs that can be more effective in annihilation. War is the ultimate act of chaos. Despite the Geneva Convention, war is an act of brutality. Business can be brutal and dehumanizing as well; however there is a concept that it is not deadly competition, at least of human beings in the marketplace.

In commerce the act of competition has a different quality than outright war, although there may be a level of chaos in the marketplace, that chaos is considered to be the chaos of creativity which is different than the chaos of laying waste in war. Although each time there is destructive chaos, there is the prospect of that chaos creating the way for something new. The problem for human beings is that they are often unable to predict what will be formed out of the chaos, especially the chaos of War.

War and Sacrifice

In contrast to World War II with its rationing and curbing of consumer spending, the “War on Terror” has been quite the opposite. There has been no call for public sacrifice in order to finance or wage War. In fact, consumer spending was one of the first calls to action when George W. Bush said that the best thing that people could do after September 11, 2001 was to go out and shop. This was legitimate in that the livelihoods of many Americans’ were at risk with the slowdown in spending, however it was also telling about the way that the economy is currently structured. There are no savings, no reserves to depend on, so citizens need to go out and spend.

Although the concept of outsourcing was meant to save money in the conduct of war, it actually increased the amount spent on the war because of the rush into war. What had been considered a way to save money became a boon for outsourcing companies such as KBR and a bust of the American taxpayer. At the same time, there was no call to sacrifice for the war effort as had taken place in World War II. Thirteen years following the war, there is no significant sacrifice asked from Americans to pay for the war since tax increases are against the fundamentalist doctrine of "the bottom line."

Part of the reason for the lack of sacrifice is the need to keep the consumer oriented economy going. In addition there is little appetite to acknowledge the sacrifice of both soldiers and those who are killed working as contractors. The George W. Bush administration banned photography of coffins containing the remains of those killed in the war being returned for burial in the homeland. Although it was said to have been out of respect for soldiers and their families, it was also a way to keep the sacrifice of human life out of the consciousness of the American psyche. The Obama administration lifted the ban; however, the images are still rarely published.

The other sacrifice that is rarely mentioned in discussion of the war is the number of innocent civilians that were killed in conflict. This number doesn't appear to fit into "the bottom line" calculation to the cost of the war. While we were fighting to preserve our way of life, consumerism being the chief characteristic, the others who happened to be in the way receive scant acknowledgement.

Wounded war veterans suffering from both physical and mental injuries are underserved when returning home from war because of budgets and bureaucracy. Within the George W. Bush administration, only one person, Gen. Collin Powell, was a veteran of war. He warned George W. Bush that if he broke Iraq he would own it. Powell, the experienced warrior was the only person in the administration who understood the non-financial “bottom line” of war. He had the battlefield experience of the chaos, and the history of Vietnam in his own career.

George W. Bush was not a statesman or politician, he was a business man, who had moved into politics under the neo-conservative movement that started with Ronald Reagan where it is thought that everything should be run like a business. Although government and business can cross back and forth; government is not business. It should run with a balanced budget, not at a profit. A government should serve all citizens, not the citizens who can afford to lobby Congress. In addition, Government is not a business because it has the right and duty to call for sacrifice from the citizenship in order to sustain the country. Citizens are not consumers who purchase from the government, they are citizens who must have full participation, as well the capacity to sacrifice when called.

Chapter 3

House, Home, and the Marketplace

Where Do We Live, House or Home?

This chapter examines how "the bottom line" affects house and home with special emphasis on the housing bubble which burst in 2008 and precipitated the worst financial crisis since the Great Depression. There are two distinct words and images house, the physical structure, and Home, the emotional center.

Human beings require shelter from the elements both the physical elements of weather and social elements in the larger society. Our protection from the physical elements is a house, our shelter from social elements is a Home. In a house we are protected from the thunderstorm, torrential rain, snow storms, and scorching heat. In our home we are protected from the demands of the exterior culture, it is a place of safety and security.

A house, a physical structure, can provide physical safety from social elements, but a home in its ideal state provides emotional protection from the elements that create stress outside of the house. Some residences are as dangerous as the outside world containing physical and emotional violence, if this is the case, the residence is not a home since it is not providing the protection that is required to be considered Home.

A Home is not free of conflict if more than two are gathered in the Home; however, a Home is a place of fundamental trust. The housing market is not a place of fundamental trust as it contains the game playing of the marketplace which includes winners and losers in transactions. The games of the marketplace can be played for very high stakes, as was the case in the real estate and housing bubble crash that lead to the financial crisis of 2007/2008.

Players in the Market

The housing market consists of a number of players playing the game. I use the word play not in the sense of a child's innocent game, but in the sense that there is motion which includes a level of deception and sleight of hand included in the narratives of the deals made within the market. There is an argument about perfect information making markets more efficient but I see that leading to commoditization which changes the dynamic of the market. Commoditization removes creativity from a market and creates a downward spiral of price, and beats the beauty of play out of the market.

The players in the housing market consist of property owners (home, condo, estate, etc.), mortgage providers, commercial banks, mortgage brokers, real estate agents, federal regulators, state regulators, property inspectors, local municipalities, and other service providers such as real estate staging companies, moving and storage companies, cardboard box manufacturers, bubble wrap manufactures, and insurance companies. Each of these players is concerned about "the bottom line". Each player seeks profit from real estate transactions.

In *Capital in the Twenty-First Century*, Thomas Piketty, highlights the importance of housing with the contemporary economy. "The nature of capital has changed: it once was mainly land but has become primarily housing plus industrial and financial assets" (120). The industries related to this primary investment of capital create ripples and tidal waves with the fate of the housing market.

Although the government is not stated as a for-profit entity, each government agency has a fiscal budget which is funded through taxes and fees. Local municipalities acquire revenue through taxes on transactions, permitting fees, and inspection fees associated with the real estate market. Each entity is concerned with “the bottom line” either for profitability or to fund their continued existence.

Housing property owners purchase property from various reasons. The property may be a primary residence which the owner wants to make into a Home. A house or condominium may be a second residence for the purposes of a vacation home. The land and structure may be rental property in which case the owner is using the property to create a revenue stream where the renter will create a Home. The property owner may be purchasing the property as a speculative investment. In this case the property owner is not looking to make a home, they are looking to make “a killing.”

Speculation can be replaced with the words gambling or betting. Speculation is a high stakes game in any market. For the most part, speculators play with money that they can afford to lose just as a person who gambles for entertainment is using money they can afford to lose. The real estate bubble leading up to the market crash swept non-speculators, those who could not afford to lose, into an inflated market.

A market bubble tends to create more speculators than the market can accommodate with returns and many of those speculators can’t really afford to be gambling. As the bubble continued to grow amateur speculators entered the market looking for high returns. As anyone who has been at a craps table in Las Vegas with someone who doesn’t know how to gamble, it irritates the market and the amateur who bets ends up being cleaned out while spoiling the bets of the experienced gamblers.

There are temporary benefits to all of the players in a market bubble as the market gets “hot”, which leads to increased transactions as compared a non-bubble market. As the market heats up and there are more transactions, there is a fantasy that there is plenty of revenue for each of the players in the market. The chief fantasy of a bubble can be categorized as the fantasy of “more.” More sales lead to more commissions for real estate agents, mortgage brokers, and banks. More sales lead to more construction which leads to more jobs for those who make a living in real estate construction. More real estate needs to be furnished with more furniture. Each player becomes vested in the continuing bubble and the fantasy of “more.” However, as the bubble starts to overheat, the experienced speculators who realize that more is about to become less start to leave the market and cash out before the final bust. Kenny Rogers recorded a hit song “The Gambler” which included the lyrics, “You've got to know when to hold 'em, know when to fold 'em, Know when to walk away, Know when to run…” Just as in Las Vegas an experienced gambler knows whose territory they are in and uses their intuition to leave the table. Experienced speculators know when to get out of an overheated market. However, prior to the real estate bubble bursting, the average owner of a house did not think about running away from house, as opposed to running away from Home.

An aspect of the real estate bubble was the human need for shelter from the elements. People seek shelter in the form of a home that is contained within a house or other type of structure. The real estate bubble created a general sense of hysteria within the real estate market that went beyond the speculators. In certain markets the general population began to be swept up into a hysteria about real estate especially when the inventory of available homes was being outstripped by the demand for the homes since there were those seeking to buy a house in which to create a Home as well as speculators seeking real estate transactions for profit. In the overheated markets, houses were selling well above the list price or were sold before they were put on the market. At the height of the hysteria, non-speculators and speculators were paying inflated prices or bubble prices for homes. Prices had been driven up by speculation as well as new entrants into the housing market.

One of the players in the market for real estate was the central bank of the United States, the Federal Reserve Bank. For better or for worse, part of the mission of the Federal Reserve is intervention in the economy through the management of the money supply which is accomplished through the actual printing of money and the determination of the prime interest rate. The prime interest rate is the rate at which the Federal Reserve Bank (The Fed) loans money to banks within the United States. During the Reagan administration The Fed was credited with curbing double digit inflation though the regulation of the money supply. The Fed increased interest rates which increased the cost of borrowing money. As money became more expensive to borrow the use of credit slowed. As credit use slows spending slows so prices come down as fewer goods and service are purchased.

Economics incudes the discussion of market equilibrium. This is a condition that is rarely sustainable at a single point. There is also an argument that speculation is part the process of reaching equilibrium. It is imagined as the perfect meeting between supply and demand. Equilibrium in the housing market is imagined as the number of houses available in the market place, meeting the demand for houses from consumers. As speculators enter the market, because they perceive prices as too low, they will drive up the price of housing. In addition, new consumers entering the market will create more demand, which will also drive up prices. As speculators leave the market, it is imagined that prices will be reset at a point of equilibrium, however, if the market experiences a dramatic drop in buyers, or the market is flooded with inventory, then prices will drop precipitously.

The balancing act for the Federal Reserve is to maintain a money supply that does not restrict investment, by managing the amount of money available to consumers and corporations to make investments and purchases. If the economy is below or above a point of imagined equilibrium, the Federal Reserve will step in through adjustments to interest rates.

In the case of economic recession, the Federal Reserve tends to lower interest rates in order to make borrowing more affordable. This is meant to increase borrowing by corporations as well as consumers, as credit becomes more readily available corporations will make leveraged investments if they can cover the cost of borrowing with the return from the investment. Consumers tend to spend more money, albeit on credit, if they have access to inexpensive credit. During a recession the economy has slowed so prices tend to drop since there is a reduction in demand.

The economy of the United Sates experienced a recession following the events of September 11, 2001, due to uncertainty within financial markets and a reduction in consumer confidence. Corporations laid off employees and consumer spending stopped as a result of fears of lay-offs and general uncertainty. In response to the recession the Federal Reserve lowered interest rates. Since consumer demand slowed prices began to drop. The combination of low interest rates and low prices create a speculators paradise since the speculator has access to inexpensive interest rates, essentially using other players' money to be in the market.

If the prevailing interest rate is at or near the rate of inflation, the money is essentially free money. Since the prime rates, the rate at which The Fed loans money to financial institutions was close to zero, and there was little inflation, money in the form of credit became very inexpensive. Speculators used this inexpensive money to purchase real estate and other commodities that had just been marked down by the slowdown in the economy.

In this case a speculator is betting on the price of a commodity or real estate increasing before the loan is due. Any increase in the price above the cost of the money used to make the investment increases "the bottom line." As more speculators enter the market using inexpensive credit, prices will increase because of the increased demand. The success of the speculator is based on when he or she enters and exits the market. If the speculator can enter the market as prices are low and take a profit when prices are still high, before the bubble bursts, the speculator can then pay off the loan and profit from the transaction.

The combination of low interest rates and a speculative market had different effects on those who were buying and selling houses, and those who were securing Homes. A house owner was played by the market and a home owner would have made different decisions during the real estate bubble since one would see the bubble as an opportunity for financial gain and the other would see the opportunity to further secure the Home.

What is a Price?

Before continuing to discuss the housing crisis there needs to be a discussion about price. Prices are an essential part of the game in the marketplace. Although listed in dollar amounts, they also contain narratives. A simple business definition for a prices is the monetary amount charged to a consumer for a good or service. The named price of a good or service is derived from tangible and intangible factors in the market place. The first is the demand for a product or service.

Commodity pricing has the closest relationship to demand driven pricing; however, speculation does enter into pricing as well. Commodity pricing is the price for a common good which is easily replaceable or replicated. Our food prices are commodity pricing, a tomato is a tomato, in most cases. A conventionally grown tomato has a lower price than an organic tomato because the supply of conventionally grown tomatoes is greater than the supply of organically grown tomatoes. Commodity pricing generally leads to very low profit margins since there is downward pressure on the price if the market is able to keep up with the demand for the product through production or a substitute.

As we move into pricing of items that are non-commodity goods and services there is more to fiction in the pricing. The reason that brand name athletic shoes are more expensive than generic athletic shoes is a reflection of the fiction invested by the manufacturer in the form of marketing the shoes such as hiring famous athletes to promote the product and increase the fiction sewn into the shoe. The price has to cover the cost of the raw materials and the manufacture of the shoe. Once the raw materials are assembled into a shoe it is simply a commodity. Once the marketing and brand is added to the shoe it contains a narrative that the wearer can put on which increases the profit margin. The shoe becomes part of a fantasy or dream held by a consumer who pays a premium to own the shoe. "The bottom line" is made in the fantasy.

Real estate prices are part commodity pricing and part fantasy pricing. The high end of the real estate market contains a higher element of fantasy. If speculation is added to fantasy the result is a red hot market bubble. When fantasy and speculation come crashing down, so does the market.

A tomato is a tomato, a shoe may contain a fantasy about becoming a world class athlete, and a piece of real estate may contain more dreams and fantasies. In the case of the market bubble, real estate contained dreams that became nightmares. Prices during a market bubble are mostly fantasy because they are inflated prices which no longer reflect the inherent value of the tangible item. Successful speculation requires a level of detachment from the fantasy. The successful speculator stays awake while the market is caught up in a dream.

Bubble Fantasy

The real estate bubble brought on a number of fantasies within the market, primarily that the price of a house was real. Indeed, there were actual transactions taking place where money was exchanged at the inflated prices; however, most of those transactions were based on a projection as part of the price. The price was an imagined value for a piece of property within the market. The prices did not reflect the actual value of the land, timber, bricks, windows, and fixtures. Prices reflected the appraised price of the real estate. An appraisal is the projected value based on market conditions, it can be dependent on the actual structure; however, it has much more to do with the imagination of the market. It is an illusory value which is high during a bubble and much lower after the bubble has burst. It exists within the imagination of the market and like literary fiction it exists on paper.

For many American's their residence is also their primary financial investment. A market bubble creates the illusion of a large financial gain, however, the gain is not realized unless the property is actually sold during the bubble. There are real dollars paid out at the closing of the real estate transaction; however, many decisions about household finance were made based on an appraised value rather than a transaction value.

During the real estate bubble many house owners refinanced in order to move the value of increased appraisals from paper gains to the bank. For a number of house owners this became one of the tragedies of the real estate bubble as real estate owners liquefied the appraised bubble value of their houses. For others it increased the security of their homes.

As an example, a house owner may have purchased a house appraised at $200,000. As a result of the speculative pricing of the real estate bubble the appraised value of the home increased to $300,000. Depending on the amount of the first mortgage that had been paid off, the house owner now had an additional $100,000. This gain existed on paper until a transaction was completed to turn it into cash. Since interest rates were low it appeared to make financial sense to liquefy the $100,000 by either refinancing the house, or taking a second mortgage. If the owner of the house wanted to increase the security of their home, to make the home more stable, they would have refinanced the house at a lower interest rate, since the loan would be for a small amount of the value of the house. If the owner had originally put 20% down on the house, they would have a mortgage of $160,000 for a house valued at $200,000. Once the price increased within the real estate bubble, they were now financing a $160,000 on a house valued at $300,000. They would now be financing 53% of the value of the house rather than 80%. This would have provided a lower interest rate as well creating more security for a home.

Another owner may have used the increased value to pay off credit card debt at a higher interest rate than the mortgage interest rate. If this was the case, they would have used the money to lower the overall indebtedness of the household, which would have increase the security of the home if they also curbed their spending and stopped accumulating consumer debt.

A third owner in the same situation may have used a fantasy gain in order to obtain cash which they spent on consumable goods. This owner simply cashed out the fantasy amount, but did not put it to use to secure the Home. Each owner would be in a different position in terms of house and Home when the market crashed.

The first house owner would be better off when the market tumbled as they would have reduced the interest rate on their mortgage. In addition, if the price did not drop below the original selling price, they would still have equity in the house, along with greater security in the Home. The second owner would have reduced over all indebtedness which could have tided them over until their house was no longer valued below the mortgage amount. The third owner would be in desperate straits as they had not used the fantasy gain to obtain more security for the Home.

Home Ownership

As a physical structure a house may be imagined as being built from the outside. A Home is a state of being built from the interior. The real estate market speaks in term of homeownership. There is a distinction between owning a house and creating a Home. Owning a house is a matter of holding a deed to a piece of property that has the shape of a house: kitchen, living areas, bedrooms, bathrooms. Home is an act of constant creation. A Home is the center of our lives, it is the place where we return to be ourselves, to share chosen community, and to restore ourselves for daily life in the exterior world. You can eat in the kitchen of a house, you enjoy a sustaining meal in a Home.

For many, a house can contain more violence than the outside world, more fear and more terror. If that is the case it is a not a home. A Home is centered in safety. It is a place with a threshold and boundary between it and the outside world. A home has a door which can be closed to separate from the market. One of the effects of the real estate bubble was the tension between the call of the housing market and its illusory values and the emotional need for a Home. Home is endanger when "the bottom line" thinking leads to giving up the container for the home over to the marketplace.

Homeland Security

On September 11, 2001 the United States was attacked on its own soil for the first time since World War II. Following the attacks the security apparatus of the United States was reengineered through the consolidation of a number of government agencies into the Department of Homeland Security. Although there have been subsequent events constituted as acts of "terror." The next catastrophic to threaten the "Homeland" was the bursting of the real estate bubble and the ensuing financial crisis. Although the culture was focused on security of the homeland from exterior threats the housing meltdown took the Homeland to the brink.

The attack of the World Trade Center was an attack on the perceived commercial center of capitalism by fundamentalists. Our own economic fundamentalism put the homeland at greater risk. If not for the intervention of the central banks and the government, the entire global system would have collapsed. There are connections between the events of September 11, 2001 and the rise and collapse of the real estate market. This is not a conspiracy theory, it is based on the economic decisions made in light of the recession which followed September 11, 2001. In a reaction to the recession the Federal Reserve lowered interest rates to stimulate the economy. The lower interest rates made inexpensive money available to investors and speculators, which was part of the goal in The Fed's actions. As prices and valuations dropped in the recession, more was ripe for the picking.

In addition to the attacks of September 11, 2001, another market phenomenon occurred at the same time. Enron, the energy giant who had become the darling of Wall Street, was in the midst of collapse. In August of 2001 the CEO of Enron resigned for then unknown reasons. In October of 2001 Enron reported its first quarterly loss in four years. In December 2001, Enron filed for bankruptcy. As part of the reaction to the failure of Enron, the government enacted further regulations on business, some of which were seen to be too onerous for companies to accommodate within their "bottom line. One of the effects of the Enron collapse and the subsequent government regulation was the movement of capital from public entities to private entities. Parts of the economy moved out of the public investment domain and into less transparent ownership of private equity.

Private equity companies are held by a small group of investors and are not available to the general public. Since these companies are not publically traded they do not exist under the same Securities and Exchange Commission (SEC) regulations as publically held companies. Private equity companies thrive on low interest rates as they use the leverage of what was essentially “free” money to acquire publicly held companies and take them private. Following the acquisition of a publically held company, a private equity concern will usually deconstruct the company. This can include closing down individual business units that are deemed unprofitable, outsourcing aspects of the business to low cost providers, and selling assets to pay back the loans made to acquire the business. At times a private equity company will acquire an undercapitalized company, invest in the business, and return the company to health. Many times the private equity company will eviscerate the company, focus on creating an appearance of sustainable profitability and cash flow and then take the company public again.

What is the greater threat to the homeland, a hobbled economy or outside terror threats? Within society human beings have layers of home. We have our personal homes and then we have the concentric circles that make up other levels of home, our neighborhood is the next level of home, followed by our local community, our state, our country, and for the human race, the globe. From a human standpoint, where does the homeland start and stop? What is the greatest threat to our home? The market and the home are both essential aspects to human beings, there is a need for both the market and the home, but there is a relationship between the two. The market and the home are complimentary; however, there are boundaries between the two. The market does not belong in the home, and the home does not belong in the market.

The U.S. was attacked by fundamentalist. Did the U.S. react with economic fundamentalism? The fantasy is that capitalism and markets are efficient and the best way for human beings to conduct their economic life. The melt down of markets demonstrates the markets are not rational and can be unforgiving. The burst of the real estate market can be seen as a correction in the fantasy that fueled the bubble. The market would have survived in some form, it was the populace that could not sustain the correction, being brought back down to earth. Perhaps if the cruelty of the market had been able to do its work, we would be in a much different position than we are today. I acknowledge that there would have been much more pain and suffering if the markets had collapsed, but I wonder what would have arisen out of the ashes.

Adam Smith stated that markets are guided by and invisible hand. We can think of this as a transpersonal force. Would our consciousness about the nature of markets, their abundance and their cruelty be greater today if we had not acted out of a fundamentalist belief that the system had to be rescued because it is the only economic possibility?

What if the system had not been rescued and other systems had emerged. We make an assumption out of our market fundamentalism that no other system could emerge. Markets are inherent in the human condition, we buy, sell and trade with or without money. There are always transactions going on in daily life. There are transactions of price and power going on in any arena.

It is as if the culture was asleep in a sort of opiate state during the bubble. The bubble burst into a nightmare, and the question was a matter of when it would be all right to go back to sleep. In 2014, it appears that the culture is beginning to get drowsy again regarding the nature of markets. Markets give and markets take away, the culture just prefers markets when they are giving.

Can You Afford This?

One of the effects of lower interest rates was a question of affordability of a house. As part of legislation during the Clinton administration, there were various government programs in place to make housing more affordable. Returning to a distinction between house and home. A Home is not an issue of affordability. A home is a state of being which can be created in an owned space, a rented space, or a FEMA trailer following a natural disaster. A home is not purchased it is created through daily acts within a defined space.

As part of the real estate bubble many first time house buyers, previously renters, entered the real estate market. I spent part of those years in Chicago, Illinois and in Fort Lauderdale, Florida. I returned to Chicago after a two year project in Florida in the autumn of 2008, as the bubble and the financial system were bursting. In Chicago, there was a flood of condo conversions during the real estate bubble. Apartments were being converted to condominiums so that they could be sold rather than rented. The owner of an apartment building could make a significant profit by turning the apartments into condominiums and then selling each unit rather than holding a rental property. Florida was one of the states that enjoyed the height of the bubble as well as being hardest hit in the aftermath of the bust. During the bubble high rise condominiums were sprouting up in

Miami and Fort Lauderdale. Buildings were sold out before construction was completed as condominium units were being purchased and sold, “flipped”, before the first occupant was able to move in to the building.

Two of the participants in the real estate market who benefited from consumer fantasies in the bubble were real estate agents and mortgage brokers. Some of them probably had an understanding of the nature of the bubble and some of them were as much caught in the thrall of the bubble as any of the other participants. One of the tactics for real estate agents and mortgage brokers during the bubble was presentations of “home buying” courses for first time buyers. These were actually sales presentations rather than educational presentation, centered on cash flow and “affordability.”

The “affordability” seminar would start by asking the renter how much they paid in rent each month. With that information the mortgage broker and real estate agent would then back into an amount for a house or condominium that the renter could afford. This was purely based on cash flow and taking on exotic types of mortgages, some of which are no longer offered since they are based on fantasy rather than reality.

The factor that made home ownership appear to be affordable was the nature of the mortgage instruments.

> Some of the examples of bad mortgage practices include: interest only (IO) adjustable rate mortgages (ARMs); option ARMs (which permit borrowers to vary the size of monthly payments); long amortizations (payment periods greater than thirty years); negative amortization ARMs (initial payments do not even cover interest costs): and no-documentation loans” (Bernanke 67).

Interest only mortgages were not really mortgages at all. They were highly speculative instruments since there was no investment required by the person who was taking on the mortgage, it is difficult to call them a “buyer” when this financial instrument is in place because they really don’t own anything.

A house may not require an investment, a home requires investment. You may not own the property, but you need to make an investment in creating a Home. An interest only mortgage was not about making an investment, it was centered on a wager. With an interest only mortgage, the person who takes out the mortgage does not pay any money down so there is no equity. They are only paying the interest on the financed amount of the house which is the entire price of the house in the marketplace thereby creating a gambling dynamic rather than a buying dynamic. The interest only mortgage created equity for the holder of the mortgage if the house increased in appraised value, again this was a gain on paper. If someone left a rental unit to take up residence in a home financed through an interest only mortgage because it appeared affordable, they were subject to complete loss when the bubble burst.

As a speculator, an interest only mortgage is a powerful instrument; however, it has to be on the right side of the bubble. If you can acquire a house, make the interest payments, and then sell the house after it has appreciated, you have made money to put in the bank. If you are on the wrong side of the bubble, you end up paying tax deductible rent, since the interest is a tax deduction; however, you are now responsible for the care and maintenance of the property, unlike a renter. Some of the attendees of these educational opportunities were not fully educated on the nature of the mortgage, and were left holding the property with no equity.

Another mortgage instrument is the Adjustable Rate Mortgage (ARM). With this type of mortgage the interest rate is set for the first five years of the mortgage, after that period, the financial institution in able to increase the mortgage rate at specific periods during the loan. Again, the market likes a gamble and this type of mortgage is about gambling that the interest rate will not increase, or there will be enough equity at the end of the first interest term to refinance the property with a traditional mortgage. In the event that The Fed increased mortgage rates and the mortgage company followed suit at an adjustment period the house that at first appeared affordable may now be a financial burden with a negative effect on “the bottom line.”

Unfortunately, there are many times when a bubble is not seen as a bubble by those it its thrall so they believe that conditions will continue while forgetting that the market operates in cycles with ascent and decent. No market can sustain continued growth and expansion, there are always contractions, recessions, and depressions.

Perhaps a true real estate investment class would start with an explanation of the seasons or of cycles. Nature, people, and markets all experience periods of expansion and growth as well as recession and depression. A house is subject to these conditions and may be battered to by these conditions, a Home is a way to weather these conditions.

The real estate market in Florida ended up with partially occupied or empty high rise buildings. Since these were condominiums they were maintained by maintenance fees paid by owners. Since there were not enough owners to pay maintenance fees the properties suffered and many fell into a state of disrepair. Those that lived in the building lived in a vertical ghost towns. The concentric circle of a home in a condominium consist of the individual residence as well as the larger community. If there are not enough owners invested in making a Home in the community it becomes a collection of shelters from the elements, rather than shelter for the individual soul.

In Chicago, there was a side benefit to renters who did not attend the real estate class and invest in a condominium conversion. The rental stock increased after the collapse of the bubble as the converted condos returned to the rental market. Those in the rental market or returning to the rental market after foreclosure benefited from the increased quality in the rental stock so that renters could make a nicer home in rental property.

Who Owns the Bet

Part of participating in a market is risk identification and management. This is also the case for betting. If you can't afford to be at the table in Las Vegas with the $50.00 minimum bet, you look for a less expensive table or you move on to another casino, or you just choose not to make the bet. Running a sound business is centered on being aware of risks. Part of the sleight of hand of markets is shifting risk to the other participant in a transaction, or perhaps negotiating who will take on the risk. It can be done with transparency or it can be done with sleight of hand.

Businesses have a mandate to serve their investors through growth and profitability. There are seemingly arbitrary figures based on industry as to the profit margin and growth rate that are acceptable within a particular industry. One corollary of driving growth is a willingness to increase risk. A well-managed public company will manage risk and growth as complimentary elements. Part of the market meltdown in 2008 was the shifting or risk and the detachment of risk from assets.

One of the ways to increase growth is to expand the market for a product or service so that it becomes available to more consumers. Managing prices is often a factor in growing a market. As a company innovates they can improve a product so as to obtain a higher price, or they can modify a product so that they can charge a lower price for a lower end product. As a price is lowered, it is assumed that consumer demand for the product will increase.

During the lead up to the real estate collapse, one of the restraints on the growth the real estate transaction market was the limited number of qualified buyers. In other words, there was a defined population of buyers who had qualifying credit ratings and enough cash to make a down payment of twenty percent of the selling price of a house. As lenders sought to expand the real estate market, they also made the decision to take on more risk by lowering the requirements for loan qualification. “The other common feature of bad mortgage practices, such as no-doc loans, was that there was very little underwriting, which means very little analysis to make sure that the borrower was creditworthy and was able to make the payments on the mortgage” (Bernanke 67). Financial institutions saw an opportunity to improve their “the bottom line” by lowering the amount of underwriting or risk analysis involved in granting mortgages to underqualified consumers.

As part of the real estate bubble mortgage companies made a shift from well qualified mortgage holders to higher risk mortgage holders. At the height of the folly, house buyers were being sold mortgages although they may have had poor credit ratings or no proof of income. The mortgage companies were selling mortgages that were soon to be labeled toxic assets, after initially being labeled as “sub-prime.”

"Sub-prime" mortgages represented high risk assets on financial institution balance sheets since there was a higher risk of consumers defaulting on these loans. The loans were still recorded as assets since there was some likelihood of repayment. A qualified loan is a true asset to a financial institution since there is a high likelihood that the loan will be repaid. An unqualified loan is an asset to a financial institution only in the fact that it can be recorded in the asset section of a financial statement; however, it is a ticking time bomb. The financial institution has a desire and a responsibility to investors to move the asset and the associate risk to some other party as soon as possible.

As part of the move to offload toxic assets financial institutions sold the mortgages to other entities. They also created insurance instruments to protect themselves.

> …some of the securities that were being created were very complex and very hard to understand. An example would be a collateralized debt obligation (CDO). This would often be a security that combines mortgages and other types of debt together in one package. And it could be sliced in different ways so that one investor could buy the safest part of the security and another investor could buy the riskiest part (Bernanke 69).

As these CDOs were distributed out into the investor market, they acted as time bombs when the market collapsed, "In the credit meltdown of 2007 and 2008, billions of high-rated CDO and synthetic CDO slices plunged in value as borrowers defaulted on their mortgages in record numbers" (Patterson 324). The toxic assets where bundled into financial instruments that were sold in financial markets. After packaging and selling these instruments the risk contained in the loan was no longer directly associated to the borrower and mortgage provider. It was spread to other players in the market. Part of the financial meltdown was the compounded risk taken on by financial institutions that were holding these toxic assets. Although these instruments were high-rated, they did not actually reflect the risk involved.

When the bubble burst the United States government and the Federal Reserve made a move to restructure financial institutions that were holding too many toxic assets with the taxpayer responsible for covering the losses of these bad bets. According to free market principles, the owners of a public corporation or a financial institution should own the bet. That was not the case with the financial crisis of 2008. In the end, the U.S. taxpayers ended up covering the bet. As of 2014, those who made the bad bets are recovered and doing quite well thanks to taxpayers.

Words such as "too big to fail" were used during the 2008 crisis. Again, would the world have come to an end, or would a new system have come about? The culture is held at ransom by a type of financial fundamentalism. Different types of fundamentalism have grown as a result of globalization and change. When the world becomes overwhelmingly ambiguous, fundamentalist surety takes hold.

Countless house owners walked away from houses that were deemed "under water." What was the effect or walking away from a Home that was contained in a house that was under water? Was the Home under water? The value of the Home that is intangible should have been part of the calculation before walking away from a house. I understand that many people lost their jobs at the same time that they lost their house, but it also goes back to investing in a home. The wisdom of investing in a home includes planning for financial hardship. Part of the consumer society is the assumed right to spend and consume without the expectation of financial hardship.

Is There a "Bottom Line" for Home?

There is a "bottom line" if you look at a house as a commodity in the marketplace. As a culture we have blended Home and the Market. Perhaps the culture could do with additional imagination about the threshold between Home and Market. The market should not come into our home, nor should we bring home into the market. One of the ways that this has occurred was demonstrated by those that were caught up in the real estate bubble, who put their home at risk because of the appraised value of their house. Having a Home cannot be measured as opposed to having a house which can have an appraised value. Creating a home is a priceless act of imagination and creation.

As of this writing, the housing market is beginning to recover, however, there are more rules in order to purchase a house. There is more disclosure required on the part of mortgage brokers; however, there seems to be more red tape, rather than education and communication among players in the real estate market.

Our houses continue to be penetrated by the market in the form of communication devices. Where once the front door of the home, separated the domicile from the market, the two have become fused. The previous model of a single television, and a single telephone, moderating exterior influences has vanished. Houses are now filled with communication devices which transmit and receive data and images from the marketplace without respite. The Home is dependent on maintaining the thresholds to the market, these are not barriers, these are portals with measured passageways rather than full access.

Chapter 4

Food, Farming, and Agribusiness: The Processed Bottom Line

This chapter examines food production within the context of agribusiness as well as processed food which have altered the role of food from providing nutrition to human beings to feeding "the bottom line" of the players in commodity and food markets. The use of technology in the forms of bio-engineering, farming equipment, and food processing have altered the way that the "bottom line" is calculated. As publically held companies replace the role of independent family farmers, food has shifted from sustenance and self-reliance to profitability.

Investors measure profitability against profit margin benchmarks by industry. Fresh food production had a low profit margin; however, processed food has a higher profit margin, and technology has a higher return than food. Technology continues to alter the "bottom line" in food production. In addition "the bottom line" is reflected in the change of language as farming and agriculture are now referred to as agribusiness.

Returning to Moore's statement…"sustain the ambiguity of its efforts—helping in one way, killing in another…" There is no doubt that there are benefits in the capability to increase the yield in the field; however, in contemporary culture, food is both a sustaining substance and a threat to heath. In the overview to *Hungry for Profit*, Magdoff, Foster, and Buttel write, "Capitalism presents us with the paradoxical reality of rapid growth of food production and perpetuation of overproduction (relative to markets and income distribution) on one hand, accompanied by the reinforcement of social exclusion and thus the growth of hunger on the other" (9). There is a dichotomous situation of obesity and starvation happening within the borders of the United States. In addition we have fundamentalist thinking, not religious but intractable, on many ends of the arguments about the future of food.

Each human person requires food for survival. Our bodies are thermodynamic organisms that burn energy in order to survive. Human beings replace the energy expended by the body through the consumption of food. We measure the thermodynamic capacity of food in terms of calories. Calories are a way of thinking about the amount of energy contained within food that can be burned to sustain the human organism. As Paul Roberts writes in *The End of Food*, "All creatures choose feeding strategies that yield the most calories for the least effort (anthropologists call this optimal foraging behavior)…" (6). Primitive hunter gatherers relied on undomesticated animals and vegetation for their caloric requirements with varying degrees of success. As part of human and cultural evolution human beings developed farming capabilities which created more reliable sources of food. In the absence of sophisticated technology early farming societies developed ritual and myths as a part of propitiating the unseen forces that determined the success of each planted crop. At the core of contemporary agribusiness is a propitiation of "the bottom line."

The Myth of the Farm

The myth of American self-reliance was closely related to the agriculture roots of the early history of the country with the self-sustaining farm. In this narrative a farm is owned by a family which raises crops for sale as well as growing much of their own food. The family eats or starves based on what their land can provide for sustenance. This story of self-reliance has been under pressure since the introduction of farming technology investments that required multi-year payments. As farming equipment becomes more expensive, there is a need to finance the purchase of the equipment. By financing the equipment the farmer has a regular debt payment that must be made. In order to make those payments, each crop year must be successful enough to create enough cash flow to service the debt. The family farming crisis in the 1980's was due to the insolvency of family farms that could no longer service the debt which was partly incurred through investments in farming technology. As family farms failed, larger concerns purchased farms or formed operating contracts with family farmers for regular production moving further into agribusiness.

Players in the Market

The market for food has expanded over time to include more players. A simple narrative of farming would include a story of the farmer who has reserved seed from the previous year's crop in order plant the current year's crop. The seed stock could be stored on the farm or at a community grain elevator. In the self-sustaining farm myth the farmer would use a combination of his home grown labor and machinery that he had paid for with cash.

Contemporary agribusiness has replaced family farming as the dominant force within agricultural food production. As the name states agribusiness is agricultural business. It is market driven rather than family driven. In addition to being profit driven it is interconnected rather than self-reliant with a heavy dependency on capitalized equipment.

Much of the manual labor of grain farming has been replaced with machinery. Companies such as John Deere and Caterpillar manufacture high tech farming equipment to increase the productivity of the field. As a retail brochure for John Deere *Air Seeding*

Equipment states, “Don’t let escalating seed and fertilizer costs put a crimp in your cash flow. Let the 1910 Commodity Air Car help you get the most from every dime you pay for inputs” (6). The use of the word inputs is an industrial reference speaking in terms of inputs, outputs, raw material, and finish goods. It also refers to the cost and “bottom line” of other players in the market.

“Don’t let escalating seed and fertilizer costs…” refers to the fact that a farmer cannot reserve seed stock if they are using seeds purchased from Monsanto or any other company providing genetically modified seed stock. Monsanto was recently the focus of the debate on the rights to seed stock with the May 13, 2013 Supreme Court Decision in “Bowman v. Monsanto Co.” The court ruled in favor of Monsanto over a farmer who had used his own means to reserve seeds by growing seeds and determining which plants contained the genetic modification for herbicide resistance. The case highlights the struggle between “the bottom line” of the farmer, Bowman, and Monsanto.

> Respondent Monsanto invented and patented Roundup Ready soybean seeds, which contain a genetic alteration…It sells the seed subject to a licensing agreement that permits farmers to plant the purchased seed in one, and only one, growing season.
>
> …Petitioner Bowman purchased Roundup Ready soybean seed for his first crop of each growing season from a company associated with Monsanto and followed the terms of the licensing agreement. But to reduce costs for his riskier late-season planning, Bowman purchased soybeans intended for consumption from a grain elevator, planted them; treated the plants with glyphosate, killing all plants without the Roundup

> Ready trait; harvested the resulting soybeans that contained the trait; and saved some of these harvested seeds to use in his late-season planting the next season. (1)

Genetic technology and patent law allows a party to claim that they "invented" a seed. Monsanto did not invent the soybean plant; however, they did modify the genetic material within the soybean seeds used by the farmer who had signed a commercial agreement, so the court ruled in favor of Monsanto.

An organic farmer can find seeds that have not been genetically modified; however, they cannot grow the same volume of food as the farmer who is able to plant seeds, spray the ground with an herbicide and then have only the desired crop grow after treatment. Monsanto has what is known as a "virtuous circle" in business terms in "Round-Up Ready®" genetically modified seeds which are impervious to the herbicide Round-Up®. John Deere's sales material acknowledge the cost to farmers of paying for seeds on an annual basis.

"...Get the most for every dime you pay for inputs" is commercial language for getting the highest amount of grain out of a field for all of the seed, fertilizer, pesticide, amortization of capital equipment, and labor that goes into planting, harvesting, and transporting a grain crop.

Agribusiness has replaced much of the language used in farming with commercial language. Rather than praying to unseen gods for the success of crops, agribusiness uses commercial insurance. John Deere offers the following crop insurance policies. Crop Delivery Contract Policy, Crop Hail Insurance, John Deere 600C Harvest Policy, Citrus Freeze Policy, Citrus Packer Contingency, Grain Fire Policy, Increase Replant Policy, Increase Replant and Prevented Plan Policy. In agribusiness propitiation in made in the form of insurance premiums. Insurance policies to protect "the bottom line" include, Revenue Protection, Yield Protection, and Revenue Protection with Harvest Price Exclusion. The John Deere Insurance web site page on "Revenue Protection with Harvest Price Exclusion" reads:

> Revenue Protection with Harvest Price Exclusion allows you to receive an indemnity payment when your gross revenue falls below your revenue guarantee. As an integral part of your marketing program, Revenue Protection helps insure your profitability, not just your expenses. You can market your crop during the growing season, when prices are usually higher, knowing that you have the revenue guarantee to cover bushels committed in forward pricing or other market options.

Part of the expense involved in crop production, if the farmer chooses, is the expense of protecting revenue, in the form of propitiation through an insurance premium.

In order to gain competitive efficiency the farmer must continually update the technology used in farming. The myth of "the bottom line" calls for constant innovation and improved efficiency which creates a hunger which will never be satisfied. In order to continually grow their companies and profits the other players in the market introduce new products and services. The planting machinery from John Deere includes Global Positioning Satellite (GPS) technology, which guides planting, fertilization and the use of herbicides and pesticides. Although this technology can be viewed as efficiency, it can also be viewed as dependency. The farmer depends on this technology to keep up with the global competition in production.

Monsanto and Seeds

The Monsanto Corporation is one of the key players in agribusiness. In the Chairman's letter to shareowners in the Monsanto's *2012 Annual Report*, the chairman Hugh Grant statement includes, "By treating agriculture as a system, we're finding new ways to work with farmers to produce more while conserving more of our natural resources. We believe there is no difference between smart agriculture and smart business. Achieving both is the only way to ensure our company and our planet are in step with the future" (3). Monsanto is a force in industrializing agriculture throughout the world, seeking to expand the market for its products into undeveloped nations, which do not have the same financial structures as developed countries.

Monsanto is at the center of the debate about genetically modified food, they also participate in the economic pressure placed on farmers under the narrative of improved productivity and profitability. Before discussing Monsanto it is important to recognize that human beings have been playing with genetic modification for most of history. Human beings have selected the strongest livestock and seed stock since they were able to observe the difference and cull weak livestock and seed. Science and technology have allowed human beings to push "fast forward" on evolution. It could be argued that Round-Up Ready® seeds could be developed over many generations of seeds exposed to the herbicide as long as some seeds survived exposure.

Farmers reap the benefits of higher yields with the use of seeds that have been modified to be resistant to herbicides; however, when farmers select livestock and seed out of their own reserves, it may not capable of being patented, trademarked or licensed. The farmer does not maintain a legal staff to enforce patent law whereas Monsanto's legal department is employed with enforcing patent law and contracts with farmers. As part of a contract with Monsanto a farmer may not reserve seeds from year to year.

Although Monsanto manufactures and processes agricultural products and chemicals it is difficult to determine their exact business based only on the cover of the *2012 Annual Report*,

> The path to a more sustainable future is neither simple nor straight. At Monsanto, we believe our job is to connect the dots between needs and solutions, between possibility and reality, between today and tomorrow. We ask: What's next? And what we hear in return is not one answer. It's hundreds of ideas, waiting to be connected. (Cover)

This block of text says nothing about what Monsanto actually does to make money. If an investor was looking for an investment and the name Monsanto did not appear within this text there would be no indication of how this company would create a return. Of course there is further indication once the annual report is examined further. Although it appears that the company has something to do with chemicals and agriculture they are primarily a technology company. Monsanto is not really concerned with farming per se. They are concerned with technological innovation that will yield patents which will in turn provide monopolies through the use of patent protection claims. Although they produce genetically modified seed stock and herbicides, their main interest is not in feeding human beings it is in proprietary technology.

The Board of Directors listed in the *2012 Annual Report* consists of executives from processed food and technology companies including the President of McDonald's USA and the retired Chairman of the Board of the Sara Lee. McDonalds and Sara Lee are both processed food companies whose "bottom lines" are impacted by the price of grain. McDonalds relies on cheap corn to keep the cost of beef production inexpensive in order to make inexpensive, low nutritional value hamburgers. Sara Lee needs low cost commodities such as wheat flour, high fructose syrup and soy beans to manage production costs for their processed food products. The board also includes the vice president of Microsoft Corporation Worldwide Public Sector, the chief executive of Health Technology Networks, "a consulting group specializing in the application of genomics technology and computing in health care". Both of these organization focus on technology and patents to maintain profitability, their respective "bottom lines." The Board of Directors of a corporation is responsible as the check and balance for the executive team focusing on continued growth and expansion with Monsanto's board made of expertise in the areas of processed food and technology.

Further evidence of the relationship between patents and "the bottom line" can be read in the Form 10-K within Monsanto's *2012 Annual Report* section, "Patents, Trademarks and Licenses." This section is intended to inform investors on the risks to the business that occur due to patent infringement.

> In the United States and many foreign countries, Monsanto holds a broad business portfolio of patents, trademarks and licenses that provide intellectual property protection for its seeds and genomics-related products and processes. (6)

The United States has patent law that is most favorable to the holder of a patent. It also guarantees a period of protection from competition. The "portfolio" is the most valuable asset on the company's books. However, the value of the portfolio is dependent on moving farmers to newly patented seed stock as older patents expire. The section continues.

> In soybeans, while Monsanto's patent coverage on the first generation Roundup Ready® soybean product has expired in some markets and will expire in the United States in 2014, most of our customers and licensees are choosing our second generation Roundup Ready 2 Yield trait containing soybean seed with patents that extend into the next decade. (6)

There is a risk to "the bottom line" identified within the previous paragraph. Monsanto must find ways and means to move customers on to second generation Round Up Ready® soybeans in order to maintain the profit margin included with patented seeds. This is a global concern for the company, not only in soybeans, but for corn and cotton as well. In order to preserve its "bottom line" the company must plan for new features in genetically modified seeds that will entitle it to patent protection.

> In Brazil, we expect farmers to adopt our next generation Intacta RR2 PRO soybean traits when available, which will also have patent coverage extending into the next decade. In corn, patent coverage on our first generation YieldGard trait has already expired in some markets and will expire in 2014 in the United States; however, most farmers have already upgraded to next generation Genuity corn traits with patent coverage extending into the next decade. In cotton, most growers globally are already using our second generation traits with patent coverage extending into the next decade. (6)

Monsanto must "innovate" to make sure that they can apply a patent to the next generation of seeds. It will be leveraging farmers in order to make sure that they are obligated to use their seed stock that contains the patented technology that require the farmer to continue to pay Monsanto. The concern within this section of the annual report is not about connecting dots or finding solutions as mentioned in the opening of the annual report, it is about maintaining patent protection for "the bottom line."

As part of the 10-K, Monsanto has an obligation to discuss the risks to its business. Which includes the further discussion of how patent law affects profitability. The loss of patent protection as well as the cost of pursuing cases has an impact on "the bottom line."

> Efforts to protect our intellectual property rights and to defend claims against us can increase our costs and will not always succeed; any failures could adversely affect sales and profitability or restrict our ability to do business. (9)

Making the connection to the true basis for their business, Monsanto calls patents crucial. Indeed, the company's profitability is anchored in attaching farmers to contracts that protect their patents.

> Intellectual property rights are crucial to our business, particularly our Seeds and Genomics segment. We endeavor to obtain and protect our intellectual property rights in jurisdictions in which our products are produced or used and in jurisdictions into which our products are imported. (9)

As the company moves into global markets, there is a risk that they will not be afforded the same patent protection in every market. The company must balance the risk of unenforced patents against revenue potential. The core business is intellectual property, not seeds per se, noted in a statement about the full value of intellection property.

> Different nations may provide limited rights and inconsistent duration of protection for our products. We may be unable to obtain protection for our intellectual property in key jurisdictions. Even if protection is obtained, competitors, farmers, or others in the chain of commerce may raise legal challenges to our rights or illegally infringe on our rights, including through means that may be difficult to prevent or detect. For example, the practice by some farmers of saving seeds from non-hybrid crops (such as soybeans, canola and cotton) containing our biotechnology traits has prevented and may continue to prevent us from realizing the full value of our intellectual property, particularly outside the United States. (9)

Although Monsanto is a technology company, the output of the patent is grain which is sold in commodity markets.

Commodities Market

Grain's journey from the field to the table as processed food requires travel, storage, and milling. It also involves the commodities market which serves a number of purposes for the different players in the market. The farmer benefits from being able to sell his crops in advance. The buyers for grain products may include business concerns that will use the grain as an input for a manufacturing process, or speculators. Other business concerns may include processed food manufacturers or millers, farmers who use grain as feed, and industrial manufacturers including biofuel manufacturers, and speculators.

In the classic model of supply and demand, the price of grain is dependent on these two factors. The supply of grain, such as corn, has been increased through the use of technology such as farming machinery aided by GPS technology, genetically modified seeds, and specific pesticides and fertilizers. Perhaps it is more accurate to say that the productivity of an acre of land, or the productivity of the land that is in use for farming is increased by technology. In areas of the Midwest that have experienced population growth and suburban expansion, farmland is being used to develop housing and business parks.

There is an interplay between the amount of arable land in use and the productivity of the land. From a "bottom line" perspective, as much productivity as possible should be achieved from the use of the land. In addition the owner of the land should always evaluate the value of the land in comparison to the productivity of the land. A farmer located near an urban center should always be making the calculation of the amount of revenue that can be achieved from selling the land as opposed to farming the land. If the land is located near a population center and can be sold for a greater profit than can be generated from farming the land, the farmer should sell the land for development.

If the land continues to be used for farming, then each acre of land should produce as much output as possible through the use of technology. As productivity increases the supply of grain will increase as long as the amount of arable land is still in use. The increase in supply should mean that prices will fall, which is actually counter to the interests of the farmer. It would seem that the farmer would then want to reduce the amount of grain that is grown so that a higher price can be obtained. Referring back to the John Deer marketing material, it depends on the productivity per input, it also depends on how many players are in the market to purchase grain.

Two factors that can increase the price of grain that have little to do with food. The first is the industrial use of grain for manufacturing and fuel. Most of the corn that is grown with GMO seeds is grown for industrial uses, it can be industrial farming feed, processed food, such as the manufacture of high fructose corn syrup. It can also be used to manufacture consumer products and biofuel. In an interconnected world with advancing technology, new price pressures can increase the price of grain. For example, corn is now an important part of the biofuel industry. Prior to the rise of biofuel technology, fuel manufacturers did not play in the market for corn. As new demand for corn grows due to new uses of corn the price of corn as a commodity will grow as the appetite for corn in no longer driven by the need to eat, it can be partially driven by the need to drive a car, to travel.

The increased demand for corn can drive up prices in one segment of consumer products while driving prices down in another segment of the economy. Fossil fuels come from a limited supply of raw materials whereas biofuels come from a renewable source of energy. Biofuels use a fermenting processes which converts plant sugars into ethanol which is then added to fossil fuels as a way to bring down the price of the fuel. In addition ethanol burns cleaner than fossil fuels which decreases overall emissions. Consumers and corporations all enjoy the benefit to their “bottom line” with the reduced cost of fuel thanks to biofuel. There is however, a counter action that affects "the bottom line." The price of food products made with corn increases as the price of corn increases with increased demand for the raw material of biofuel.

The manufacturer of food products containing corn or corn byproducts competes with the biofuel manufacturer using corn as raw material. At the same time, the price of food is directly affected by the price of fuel, since all food must be transported to market. Global food markets increase the distance that food travels from field to table. The local food movement is in part a reaction to the use of petroleum products need to transport fuel. Petroleum is also a commodity.

Commodities are the raw material for industry, which can include the food industry. There are trading markets set up for precious metals, grains, petroleum. Since each of these raw materials are required for industrial production, manufacturers want a predictable supply as well as a predictable cost of inputs. In addition farmers want a predictable amount of revenue for crops. The commodities markets allow farmers and those who purchase grain to buy and sell goods for future delivery. These contracts are created in the futures market. In addition to farmers and manufactures who purchased these raw materials, speculators also take part in the market. The positive role of the speculator in the marketplace is the assumption of risk. The speculator is willing to purchase a grain contract in advance, assuming that the price will increase before the delivery date. There are also ways to cover the risk if the price goes down in the future.

As more parties compete in the global market for raw materials such as grain, prices will rise as long as demand continues to outstrip supply. If demand drops then prices will drop. If substitutes become available then the prices will drop as well. With a limited supply of fossil fuels, and few previous alternatives, the price of the commodity continues to increase. As global demand for internal combustion based transportation increases, the demand for fuel increases. The majority of these engines are fueled with fossil fuel. As the price of fossil fuel increases, the return on investment for other forms of energy increases.

When petroleum prices were inexpensive relative to the cost of technology and other industrial input, there was little economic motivation to develop alternative fuel sources. The primary motivation of "the bottom line" is profitability over any other consideration. Although the price of obtaining fuel was increasing, including a geo-political price, fossil fuel it is still considered less expensive then developing alternative fuel sources, leading to invasion over innovation. Although American business constantly repeats a mantra of innovation, it refuses to innovate around the concept of "the bottom line." Investment in alternative fuel exploration and development only began in earnest when the cost of fossil fuel started to become a more significant factor in maintaining "the bottom line".

A typical calculation of return on investment would inhibit companies from investing in alternative fuel sources until the cost of the investment and the resulting technology was less than the cost of maintaining the prior way of conducting business. Although there could be a compelling technology in development it would not be deployed until it could pay for itself through revenue or cost savings. The United States interest in biofuel increased as the price of fossil fuels increased.

As the global market for industrial inputs has increased with continued global development, the cost of commodities increases as well. Since goods can be shipped all over the world, the markets for commodities are global as well. Cotton may be grown in the American south, shipped to China or India for clothing manufacture, with the final goods being distributed globally.

As more parties compete for raw materials, the price of the raw material increase. As prices increase, so do the opportunities for speculation. At times the number of speculators in a market will increase to create a market bubble. At times speculation can skew the prices for commodities by creating more demand for a commodity than is representative of the demand by manufacturers of products. Speculators can enter the market for a number of reasons; however, if there are too many speculators they are not serving the useful purpose to the market. It is only when some get burned by the burst of the market bubble that the market will again be rationalized to the right number of speculators.

The rise in concentrated wealth can also expand the number of speculators in the commodities market which will increase the prices for basic goods. Individuals and companies with reserves of cash will use that money to make more money in the form of investments or speculation. The decision of were to make money with money is based on the supply of investments available in the market place. Investment are made with a balance of risk and return with higher risk associated with higher reward.

In the range of investments, savings accounts are considered low risk and low reward. For the investor, one of the considerations of making money is financial growth beyond the rate of inflation. If the rate of inflation is 2% per year and the interest rate on savings is 3% per year, the saver has actually earned 1% because of the decrease in buying power. The value of the investment is offset by the erosion of inflation.

A corporate bond tends to be tied to interest rates as well as competition among other investment in the market place. Bonds are given ratings base on the credit worthiness of the company, municipality or government issuing the bond. The United States Treasury issues bonds to cover the national debt. Since it is considered one of the most credit worthy entities in world, the US Treasury Bond has been considered one of the safest investment in the world.

Corporate stocks have various rates of returns associated with risk and reward. Corporations with long histories of profitability are referred to as Blue Chip stocks whereas unestablished companies or poorly performing companies may be considered more speculative. An investor, as opposed to a speculator, will carefully choose the stocks in order to make a return on the investment over a long period of time. The speculator leverages pricing instability in the market and makes an exit with a larger return for placing a bet.

Despite the global recession and economic difficulties facing many, the concentration of wealth translates into a hunger for investment opportunities. If an individual has accumulated wealth they will look for ways to make more money with their money. As there are more millionaires and billionaires coming out of emerging markets, there are also more investors in the marketplace. As global markets develop, local markets can be affected. Many real estate markets in the United States are affected by the investments made from outside the United States. The real estate market in South Florida, one the hardest hit after the real estate market crash is recovering because of purchasers from Latin America who can make a 50% down payment. Real estate markets on the west coast of the United States are affected by investors from Asia who can make a cash purchase on a multi-million dollar home.

As an investor accumulates more wealth more of it can be moved into higher risk investments since there may be a higher tolerance for loss of the money in exchange for a higher return. As the financial instrument moves into higher risk territory, the investor is moving from investment to gambling. There is a range of financial activity ranging from saving and investing to gambling.

The price that a consumer is paying for a loaf of bread and food can be affected in part by the gambling aspect of investing if too many people are playing in the commodities market. If savings rates are unattractive, and the stock market is not setting records, then commodities may be the most attractive way to generate more wealth for an individual. To a certain point, the market needs speculators; however, once the market takes on too many speculators, the prices for commodities increase purely from speculation rather than from consumer need. The consumer will have to take on the additional cost of speculation in the form of higher food prices.

Processed Food

Human beings began processing food with the capability of making fire; however, the amount of processing has been altered by "bottom line" thinking as food is the source of profitability for the food industry. Grocery stores are low margin retail outlets operating on a single digit margin. Their profitability is based on selling high volumes of food. Fresh food is perishable and therefore has a limited shelf life. Consumers choose food that is unblemished in the produce section of a store. At the meat counter government regulation limits the amount of time that meat can be sold after butchering.

Grocery stores regularly remove food from the produce, meat and dairy sections of the store. Overripe, outdated, or spoiled food has a negative impact on "the bottom line" of the store as it cannot be sold. The store does not have to do this as frequently in the aisles containing processed and packaged food that does not spoil as quickly or at all.

Paul Roberts notes the change in focus to processed food for the purpose of profitability in *The End of Food*.

> In an important sense, food companies fundamentally redefined prosperity in the food economy. For centuries, producers had competed for *existing* demand in raw commodities, such as wheat flour and corn – demand that could grow only as fast as the population did. With added value, however, producers were selling not just calories but convenience and other qualities as well, which suggested an almost unlimited source of revenues and growth – at least as long as companies could find more value to add. (40)

The endless display of processed food in the grocery store aisles is the primary example of food companies creating more food items for consumption. The value add for the food processing company is actually removal of nutrition. The elements that make food subject to spoilage are removed, additives are included, and food is packaged so that it can stay on the shelf of the grocery store.

Snack food has increased as food processing companies reach beyond the nutritional needs of consumers, to grow revenue. Roberts notes that the demand for food could only grow as quickly as the population grew. In contemporary America, the population is growing in two ways, there are more people, and people are gaining more weight. Processed foods companies have benefited from two types of growth within the population. The traditional three meals a day have been replaced with eating throughout the day.

Snack foods and snacking emerge out of the need for food processors to continually serve “the bottom line.” “Not surprisingly, snacks, which are among the most highly processed of foods and thus have the highest profit margins, are increasingly the focus of product innovations” (Roberts 44). An industrial process is used to create new snacks and foods, as with any other industry. Although the raw materials for food may be grown, the final products are highly manufactured. The manufacturing is also referred to as the value add by the manufacturer.

As with other consumer products processed food products go through a product life cycle which consists of four stages, introduction, growth, maturity, and decline. This same cycle can be found in nature as well as human life, ending with a trip into the underworld, in the case of processed food this means a discontinued product.

Product Introduction

In order to grow revenue and expand “the bottom line” processed food companies must continue to innovate and introduce new products or reintroduce older products as “new and improved.” In both cases new or renewed product introduction consists of market research, product testing and consumer testing followed by a product launch or release into the marketplace.

New foods products are developed with a combination of art, science, and commerce. Part of the research is the determination of how processed food can be manufactured, shipped, stored, displayed, and sold profitably. Unprocessed fresh food that is full of nutrients may not meet the criteria for high profitability since it is extremely perishable. The next best nutritional source to fresh food is frozen food which can be harvested in the field and then frozen quickly to retain nutrients; however, the cost of freezing and maintenance during transportation and store display is more costly than food that does not require refrigeration. After frozen food the least expensive food to merchandise is canned, bagged, or bottled food which also contains fewer nutrients.

The highest profit margins come from food that is inexpensive to package, store, transport, and display. This is the food that is found in the center of the grocery store. It has been processed to remove the elements that cause it to spoil with the addition of preservatives. One of the main preservatives in food, which has been used for thousands of years, is sodium. Processed food contains extraordinary amounts of salt so that it does not perish; however, the ingredient that preserves food is not healthy for human beings in excessive amounts.

New products are developed in test kitchens, with feedback from consumer tests to determine if the market will accept the new product. In addition to new products, subsequent products can be created out of existing products. One only need peruse the snack aisle in the grocery store to observe the product innovations in potato chips. The simple potato chip has been altered with different types of preparation, from baking, to cooking, to reconstitution and forming. Each product formulation starts with the simple potato which is a perishable commodity. The potato is then processed with oils, salt, and seasoning in order to create a product with a long shelf life.

In 2013 the Frito Lay Company used consumer suggestions to develop new potato chip products by conducting the “Do us a Flavor” contest. Consumers were asked to name flavors to be added to potato chips with the finalist flavors, “Cheesy Garlic Bread”, “Sriracha”, and “Chicken and Waffles.” The purpose of the contest was to create new consumer awareness of potato chips in new flavors. It was a way to add to “the bottom line” through consumer participation in developing the story for new potato chips.

New product introduction involves storytelling using customers’ imagination and projections as a way to generate demand. One of the ways that this is accomplished is to play new products against older products. Although obesity is a problem in society, junk food is now positioned as healthy when it has reduced fat or salt. None of these change the nutritional value of the food. They are marketing statements used to overcome consumer guilt over eating snack food.

One of the current health trends appears to be the importance of having regular bowel movements. A noticeable advertising campaign that became the subject of comedians and late night sketch shows is a yogurt that contains probiotics. A well-known actress extols the virtues of the yogurt and its curative powers when it comes to regularity. On December 10, 2010 the Federal Trade Commission issued a press release, which is posted on the FTC web site, entitled, “Dannon Agrees to Drop Exaggerated Health Claims for Activia Yogurt and Dan Active Dairy Drink” stating that The Dannon Company agreed to settle a Federal Trade Commission charges of deceptive advertising. Under the settlement:

> Dannon may not claim that Activia yogurt will relived temporary irregularity or help with slow intestinal transit time, unless the claim is not misleading and the ad conveys that three servings of Activia yogurt must be eaten each day to receive these benefits. Dannon may claim that eating

> fewer than three servings a day provides these benefits only if the company is relying on two well-designed human clinical studies substantiating that the claim is true.

Food companies must find ways to grab consumer attention in order to sell products. "Put another way, food companies must differentiate their products through heavy promotion, bribing consumers with outright financial incentives (like coupons or discounts) or, more often, inducing consumers to associate a product with a cluster of potent and attractive ideas…ideas that may or may not have anything to do with the product itself…"(Roberts 38). The Activia campaign is an example of an idea that is only partially related to the product. Fresh fruits and vegetables combined with exercise can have a similar effect.

Returning to potato chips, the majority of chips are made by a small number of companies that struggle against one another for market share in service to "the bottom line." "Under these conditions, a handful of corporations control the bulk of a particular market, and the struggle over market share is more about advertising, product differentiation, and brand identification than price competition" (Magdoff, Foster and Buttel (9). A shopper can find product representatives in a grocery store arranging products on the shelf in the continual skirmish for visibility among manufacturers.

Another consideration in the design of processed food is convenience and time. It is not the time that it takes the food to get to market, or the time that the product that will sit on the shelf, it is the time that it will take the consumer to prepare the food. Part of the bottom line of food is "the bottom line" for the consumer if life is held to the measure of "time is money". Paul Roberts discusses the time pressure on families as women took on roles in the work place rather than in the kitchen. “Time, not money was now the scarce resource…”(35). Although Roberts highlights the post-war growth of women in the workplace, that situation is no longer based on the traditional role of woman as the chief food processor at home. Contemporary culture makes demands on each member of the household to focus on “the bottom line” whether a single parent or dual parent household, families have little time to focus on the home processing of food, in other words, preparing and cooking a meal with fresh whole foods.

Growth

Product growth in the market is often referred to in the phallic reference of market penetration. Successful products are expected to meet minimum revenue growth goals in order to continue in a food processors product line. A new type of fast food chain is growing rapidly in the market space between traditional “drive through” fast food and full service restaurants. The market segment includes Chipotle a Mexican food restaurant where consumers are able to take part in the creation of their meal by moving along an assembly line and requesting specific items for inclusion in a burrito.

During the growth stage of the product cycle, the product is competing against similar products. If consumer spending on fast food is at a fixed amount, then a growing concern must displace competitors. This is done through product differentiation. Companies such as Subway, Jimmy Johns, and Potbelly compete in the sandwich market. Each tries to differentiate their products to attract consumers away from competing fast food restaurants. Subway conducted a successful campaign using “Jared” and the weight loss he achieved eating only Subway sandwiches. Subway was able to draw consumers away from hamburger restaurants on the claim that is was healthier and could lead to weight loss rather than weight gain. At the same time that this campaign about health and weight loss was being conducted, Subway's bread contained azodicarbonamide, a bleaching agent and dough conditioner also used in shoe rubber. Other food processors use the chemical as well; Subway got caught on the wrong end of a food blogger which threatened their growth as well as their "bottom line." The company has since removed the chemical from their bread.

Jimmy John's used an advertising campaign, "Freaky Fast" to promote the speed of delivery in their bid for market share. Television commercials featured hungry consumers making desperate telephone calls for food from various places with a delivery person appearing seconds later with a sandwich in hand. Jimmy Johns was taking fast food to faster food through this advertising campaign, signaling to consumers that they would not have to wait to be fed.

Jimmy John's employs delivery personnel in cars and on bikes. In February 2014, Jimmy Johns was sued by a woman in Morgantown, West Virginia whose father was struck and killed by a car driven by a Jimmy John's delivery person. The West Virginia Record quoted Allan M. Karlin, the attorney filing the complaint, "I think when you create an environment where your drivers are encouraged to deliver 'freaky fast,' inevitably you're going to have drivers who can cause this type of terrible injury" (web). Although there are questions of who should be liable for the accident, the company was promoting the rapid delivery of fast food as part of their efforts to win market share in the sandwich business.

A Game of Chicken

One of the largest food processors is the Tyson Food Company. Their *2013 Form 10-K* describes their business from a "bottom line" perspective. Although commercial advertising may speak of chicken and chicken nuggets, their filing states their business differently. As stated in the *2013 Form 10-K*, Tyson is in the meat protein business first and foremost.

> Founded in 1935, Tyson Foods, Inc. and its subsidiaries…are one of the world's largest meat protein companies and the second-largest food production company in the *Fortune 500* with one of the most recognized brand names in the food industry. (3)

As the second largest food production company in the *Fortune 500*, Tyson influences other players in the market. They can leverage their suppliers to manage prices for raw materials, which includes the animals raised for their products. As noted in the discussion on Monsanto and seed, Tyson will likely be a proponent of seed technology in order to achieve maximum efficiency in the growing of grain to feed livestock. Tyson's raw materials extend beyond chicken.

> We produce, distribute and market chicken, beef, pork, prepared foods and related allied products. Our operations are conducted in four segments: Chicken, Beef, Pork and Prepared Foods. Some of the key factors influencing our business are customer demand for our products; the ability to maintain and grow relationships with customers and introduce new and innovative products to the marketplace; accessibility of international markets; market prices for our products; the cost and availability of live

> cattle, hogs, raw materials, grain and feed ingredients; and operating efficiencies for our facilities. (3)

Tyson uses social media campaigns to engage customers in their current products as well as obtaining ideas for future products. In July 2014, Direct Marketing News published an article by Associate Editor, Elyse Dupre, entitled, “When it Comes to Storytelling, Tyson is No Chicken”. The article is a discussion of the ways in which Tyson uses storytelling and narrative to introduce new products as well as maintain an on-line “community” of consumers.

At the outset of the article Dupre names some of the innovative products referred to in Tyson’s 10-K. “Ah the chicken nugget. Although it’s a simple breaded snack, its dinosaur or cartoon-shaped presentation leaves the impression that it’s a food reserved for those stuck on the kids table” (Web). Tyson uses chicken to make snacks in the shape of extinct animals or fantasy characters in order to entice consumers by making eating more fun. The function of food as nutrition is moved into the realm of entertainment.

Tyson also forms chicken into forms previously reserved for a vegetable. Dupre continues, “But for consumers who can’t let the bite-sized bird go, there’s Tyson Food’s Home Style Chicken Fries” (Web). Tyson includes a description of Homestyle Chicken Fries on their company web site. As part of the campaign to extend eating into a continuous activity, this product is called an “Any’tizer® snack”, meaning that it is not an appetizer, which would be a small serving preceding a meal, this is an “anytizer” which can be consumed at any time a person feels a hunger pang or the need to consume meat protein mentioned in the Form 10-K. The Tyson web site describes the product as, “Any’tizers Homestyle Chicken Fries are the ultimate finger food! Dip the fries into your favorite dipping sauce and enjoy these easy ready-to-eat snacks!" (Web). Tyson is processing and reformulating meat protein as well as eating habits as part of expanding "the bottom line."

As a food processor, Tyson's business is centered on taking live animals and reformulating any usable part of the animal for revenue. The 10-K states:

> We also process live fed cattle and hogs and fabricate dressed beef and pork carcasses into primal and sub-primal meat cuts, case ready beef and pork and full-cooked meats. In addition, we derive value from allied products such as hides and variety meats sold to further processors and others. (3)

The cattle and hogs may end up in the meat case as steaks and pork chops, as well as pet food, gelatin, and other industrial products that use hides and leather. The industrialization of the food process calls for efficiency so that no part of the animal goes to waste. It also regards animals as inputs and outputs resulting in protein and other byproducts.

Tyson's 10-K contains the following information about the chicken segment of their business under the heading Raw Materials and Sources of Supply.

> Chicken: The primary raw materials used in our chicken operations are corn and soybean meal used as feed and live chickens raised primarily by independent contract growers. Our vertically-integrated chicken process begins with the grandparent breeder flocks and ends with broilers for processing. (4)

This discussion of raw material highlights the importance of grain and soybean prices as the primary input into raising chickens from fertile eggs to “broilers” which are mature chickens. This description of the process is made in terms of industrial process rather than the cultivation of food. The paragraph ends, “Adult chickens are transported to processing plants where they are slaughtered and converted into finished products, which are then sent to distribution centers and delivered to customers” (4). Finished products can include a broiler in the meat case or a chicken nugget in the shape of a dinosaur called a Tyson® Fun Nugget.

On this same page in the 10-K Tyson identifies the importance of its most significant customer, “Wal-Mart Stores, Inc. account for 13% of our fiscal 2013 consolidated sales. Sales to Wal-Mart Stores, Inc. were included in the Chicken, Beef, Pork and Prepared Foods segment. Any extended discontinuance of sales to this customer could, if not replaced, have a material impact on our operations” (4). Wal-Mart is well known for wringing concessions from its suppliers due to its role as a major distributor of products. The 10-K also states that no other customer represents more than 10% of sales. Since Wal-Mart represents such a large part of sales, they have significant sway over Tyson in demands for price reductions. This pressure flows all the way through the line of raw material processing described by Tyson. It flows back to the contracted farmers where the chickens mature, to the farmers who produces corn and soybeans.

Magdoff, Foster and Buttel allude to the power of an entities as large as Wal-Mart and Tyson “There are now few buyers for most raw agricultural products. This has left farmers without truly free markets to sell their commodities” (10). Although Milton

Friedman extolled free markets he did not reconcile the market control that would be exerted by companies as large as Wal-Mart and Tyson.

As part of the story telling to engage consumers, Tyson offers a line of "Better for You" products which include ready-made chicken strips, which would appear to be healthful. The Tyson web site extolls the virtue of Tyson® Fully Cooked Lightly Breaded Chicken Breast Strips, "Because with 65 percent less breading, 50 percent less fat, and 40 percent fewer calories, our Tyson® Fully Cooked Lightly Breaded Chicken Breast Strips still have everything you love about breaded chicken strips, but also have no preservatives, no trans-fat, minimal processing and no artificial anything!" (web). The serving size listed in the nutritional information is 3 oz. The consumer who is enjoying these chicken strips may eat twice the recommended serving size. In that case, the sodium content, which is not considered artificial, goes from 370 mg to 740 mg, which translates to 26% of the recommended daily value of sodium intake. The storytelling that occurs within this product advertising walks the edge since it speaks in comparisons. When a product says that it has a percentage less of an ingredient, the consumer must ask the question, "less than what?"

Another way to view this is how much "more" the product has than a broiled boneless, skinless fresh chicken breast. The nutritional information for the fresh chicken which is also listed on the Tyson web site lists a serving size as 4 ounces, which is a standard protein serving. The fresh chicken has 40mg of sodium. If we do some per ounce math, we see how much "more" sodium the processed food contains per ounce. The fresh breasts contain 10mg of sodium per ounce. The processed strips contain 123 mg of sodium per oz. So the processed chicken has about twelve times more sodium than fresh chicken. The addition of sodium is considered a "value add" to the product. In addition the processed chicken has 50 calories per ounce while the fresh chicken contains 35 calories per ounce, so the processed chicken has 42% more calories than fresh chicken. There is a trickster quality to the discussion of "less" in food advertising and promotion.

As part of the 10-K filing a company must discuss the possible risks to their business and "bottom line." Tyson acknowledges the possibility of pathogens entering the food production process.

> Our products may be subject to contamination by disease-producing organisms or pathogens, such as Listeria monocytogenes, Salmonella and E. coli. These organisms and pathogens are found generally in the environment; therefore, there is a risk that one or more, as a result of food processing, could be present in our products. These organisms and pathogens also can be introduced to our products as a result of improper handling at the further processing, foodservice or consumer level. These risks may be controlled, but may not be eliminated, by adherence to good manufacturing practices and finished product testing. (9)

Tyson has an interest in controlling any outbreak of pathogens in their food products in order to retain consumer confidence in their products. The further concentration of food processing has led to a number of food safety concerns following outbreaks of pathogens listed in the 10-K. However, according to a press release posted on the company web site Tyson's food recall in 2014 was not due to pathogens it was due to plastics.

> April 4, 2014 – Springdale, Ark. – Tyson Foods, Inc. has announced it is voluntarily recalling 5-pound bags of frozen Tyson® white meat chicken nuggets that were sold at Sam's Club locations nationwide. A small number of consumers who contacted the company indicated they had found small pieces of plastic in the nuggets, prompting the company to issue the recall. The affected product lots were produced on two days on a single line at one of the company's 40 chicken production facilities. (web)

This recall occurred within products sold at Sam's Club which is owned by Wal-Mart. Tyson would act quickly and take a reduction to its "bottom line" in order to maintain its relationship with Wal-Mart. The industrialization of food preparation occurs within an assembly line process.

As mentioned in the press release this was two days' worth of production in the chicken production facility. The press release does not mention that the recall involved 75,000 pounds of chicken as reported on the River Front Times web site, which represents a significant loss of revenue for Tyson. The nugget making process failed either due to human error or machine malfunction. As mentioned in the 10K report, Tyson is constantly seeking ways to increase efficiency in the production process. The increase in efficiency also means that product defects are spread more efficiently across products when they occur on an assembly line. This efficiency can also include the efficient distribution of pathogens that might enter the process.

The Language of Annual Reports

Public companies must issue annual reports to discuss the past year's performance as well as discuss the outlook for the corporation. The language of the market contains some trickster elements. It tends to include numbers of "buzz" words in vogue at the particular time. In the case of Hillshire brands, they chose to repeatedly use the word "innovation" for a food conglomerate consisting of consumer brands, Jimmy Dean, Ball Park, Hillshire Farm, State Fair, Gallo Salami, Sara Lee, Atdells, and Chef Pierre.

The company profile in the *2013 Annual Report* states, "The Hillshire Brands Company is a leader in focused food solutions for the retail and foodservice markets. The company generated approximately $4 billion in annual sales in fiscal 2013. The companies more than 9,000 employees work together every day toward a common purpose – fulfilling the hunger for a life well fed" (Cover). The products made by the subsidiaries are processed meats including pork sausages, hot dogs, and processed foods from Sara Lee. All of which may leave an individual full, but it is questionable after the intake of saturated fat, preservatives and sodium if an individual will be left well fed.

Many companies now refer to their products as "solutions." This started in the technology field with software as it is seen as solving a particular problem. It is difficult to imagine the problem posed that would need a hot dog "solution", other than its absence if you have a cold beer at a baseball game.

Sean Connolly, President and Chief Executive Officer is quoted at the opening of the report, "Built lean and driven by innovation, we have the right attitude, the right people and the right assets in place to achieve sustainable long-term results, going forward, Hillshire Brands is poised for success—but will never be satisfied. We are hungry for more" (Cover). There is an ironic unconsciousness in the verbiage used in the opening in the annual report in terms the being well fed and staying hungry. The word innovation occurs throughout the report which can be translated into cost cutting and the use of technology as well as the introduction of new products with processed, factory farmed pork. The company may be built lean, but the products are full of fat.

The myth of “the bottom line” extends beyond cost cutting, it extends to employees, further into the report, under the heading, “An Aligned Culture”, the report states, “Beyond cost savings and efficiencies, we’ve worked this past year to align employees around our sense of purpose, which is to ‘fulfill the hunger for a life well fed.’ This involves providing employees with a rewarding work experience that allows them to grow and perform at their best” (3). Imagine the company rally where a person gains a sense of personal fulfillment from working on an assembly line filling casings with processed pork. The hunger for a life, is not usually found in the stomach, but it can be found in the belly. I am not sure that employees have a fire in their belly due to the passion for their work, it may be due to what they ate for lunch. Again, they might be full, but it is questionable as to whether they have been fed for sustenance.

In McDonald’s *2013 Annual Report*, Don Thompson, the President and CEO’s message to investors includes, “It’s a privilege to serve great-tasting, high-quality food and beverages with speed and convenience expected by almost 70 million daily customers in 119 countries—and we don’t take it for granted” (1). The question that arises for someone who has tasted non processed food is what constitutes great-tasting and high quality? The primary flavor in McDonald’s food is salt and sugar, which is one of the base tastes of the taste buds. The more extended experience of food is through the sense of smell.

Although the company was profitable, it did not meet the expectations of growth so the CEO has to explain why they missed the anticipated “bottom line.”

> Though McDonald's continued to grow, our performance fell short of our high expectations this past year. Challenging conditions—including a flat or contracting informal eating out category in most of our major markets, increased competitive activity, and consumer price sensitivity—impacted our results. In addition some customer-facing initiatives didn't generate the comparable sales lift and incremental guest visits needed to overcome external pressures in today's highly fragmented marketplace. (1)

Translated into a more common vernacular, this means that not as many consumers as anticipated ate at McDonalds. Part of this growth is going to a new segment of restaurants that offer higher quality food with quick preparation of fresh ingredients. McDonalds pre-cooks much of its food and then assembles food as customers order. In addition this speaks to the fact that McDonalds offered new food products which customers did not like which also failed to attract new customers. As part of the research and development process McDonalds would have test marketed the products with a small group of consumers, followed by a financial forecast of additional sales that could be associated with the new product. Apparently some of these new items failed to help "the bottom line."

As part of addressing investors, the CEO's message also names what is being done to continue to build revenue. This includes, "Ensuring we provide affordable options across our menu. We are strengthening our value platforms as we maintain emphasis on this foundational element of our brand promise and key driver of the customer experience" (1). Translated this means that they continue to look at offering items priced around $1.00. The value platforms are the price of the food and what the consumer received for the price paid. As with any field there are buzz words and acronyms.

Chapter 5

Healing Tradition and Health Care Industry

This chapter examines the archetype of the market and the myth of "the bottom line" in healing and health care. The choice of words, the vernacular, is a part of examining healing and health care as the words in the Hippocratic Oath are rarely reflected in the language of market based health care. The healing tradition is founded in the Hippocratic Oath which is taken by physicians as they enter into the practice of medicine. It is not an oath focused on entering an industry, it is an oath taken upon entering a tradition of healing which stipulates the way physicians conduct their practice in a covenant between doctor and patient. A modern version was written in 1964 by Louis Lasagna, Academic Dean of the School of Medicine at Tufts University, and used in many medical schools today.

Hippocratic Oath:

> I swear to fulfill, to the best of my ability and judgment, this covenant:
>
> I will respect the hard-won scientific gains of those physicians in whose steps I walk, and gladly share such knowledge as mine with those who are to follow.
>
> I will apply, for the benefit of the sick, all measures [that] are required, avoiding the twin traps of overtreatment and therapeutic nihilism.

I will remember that there is art to medicine as well as science, and that warmth, sympathy, and understanding may outweigh the surgeon's knife or the chemist drug.

I will not be ashamed to say, "I know not," nor will I fail to call my colleagues when the skills of another are needed for a patient's recovery.

I will respect the privacy of my patients, for their problems are not disclosed to me that the world may know. Most especially must I tread with care in matters of life and death. If it is given me to save a life, all thanks. But it may also be within my power to take a life; this awesome responsibility must be faced with great humbleness and awareness of my own frailty. Above all, I must not play at God.

I will remember that I do not treat a fever chart, a cancerous growth, but a sick human being, whose illness may affect the person's family and economic stability. My responsibility includes these related problems, if I am to care adequately for the sick.

I will prevent disease whenever I can, for prevention is preferable to cure.

I will remember that I remain a member of society, with special obligations to all my fellow human beings, those sound of mind and body as well as the infirm.

If I do not violate this oath, may I enjoy life and art, respected while I live and remembered with affection thereafter. May I always act so

> as to preserve the finest traditions of my calling and may I long experience the joy of healing those who seek my help.

This version of the Hippocratic Oath follows the archetype of Healing, rather than the archetype of the Market and "the bottom line." It provides structure to the sacred relationship between a doctor and a physician. It acknowledges that medicine is an art as well as a science, that being the case, it points to the emotional and personal needs of patients during illness and healing as well as the use of science which includes technology and pharmaceuticals.

Development of a Health Care Industry

In *Critical Condition; How Health Care in America Became Big Business & Bad Medicine*, Barlett and Steele summarize market fundamentalism's influence on health care by quoting Don DemMoro, Executive Director of the Institute for Health & Socio-Economic Policy.

> All this was built around a business school belief in the market. The market says this. The market says that. There is an overriding belief that the market determines everything, as though human beings have no say. Don't interfere with it. Leave it alone. It will do the right thing. (114)

The industrial transformation of health care accelerated in the 1980's with the Regan Administration's efforts to push all aspects of the culture into the market following a doctrine of market fundamentalism.

Following the end of the Cold War, the early 1990's were a time of transition for the economy of the United States. The economic slowdown in the early 1990's brought about a wave of change in corporate America. As economics is a predominant narrative this change flowed into all aspects western culture. Health care was one of the areas affected by the reengineering occurring in corporate America. Although the argument was for effectiveness and efficiency there was also an element of extraction within the narrative. The story stated that corporations and consultants were eliminating inefficiencies by mapping and then altering traditional processes to find ways to improve "the bottom line" which included heath care.

Access to health care became more widely available to the general population of the United States during World War II as the military and industrial demands of war created full employment and deployment. As corporations looked for ways to compensate employees in the presence of wage controls more corporations provided health care to employees as part of compensation. As employment and health care have become intertwined the cost of health care has been seen as having a negative effect on "the bottom line" of employers while enriching corporations within the health care industry.

Managed Care

The concept of managed care grew in popularity and utilization in the early 1990's with the growing reengineering movement. As corporations sought to improve their "bottom line" they viewed the reduction of medical expenses as a key element in improving financial performance. Corporations pay insurance premiums to health care insurance companies, which in turn pay for medical expenses of employees. Since insurance companies were the main "payer" for health care services, their "bottom line" was affected by growing demand for health care as well new therapeutic and pharmaceutical technology. Individual doctors, drug companies, and technology companies were providing service as varying prices. In order to control costs, health care insurance companies, rather than the government, implemented price controls. These price controls were called Managed Care. In this system doctors agree to participate in the network of preferred providers covered by a health insurance company. By committing to participate in the network the doctor agrees to accept fixed payments for services provided to patients. The reimbursement for treatment is dictated by the insurance company based on a perceived market price for the service, resulting in a commoditization of the practice of medicine. The art and science of medicine becomes subordinate to commerce.

The function of Managed Care is to force doctors to accept specific rates for procedures. If a patient chose to see a doctor that did not participate in the network, the patient became responsible for the out-of-network payments. Patients with fewer resources who needed to manage their own “bottom line” were then forced into treatment by in-network doctors. This caused a shift in the doctor-patient relationship. If the patient’s insurance would no longer pay for visits to a doctor with whom there was an established relationship, the patient would then need to find a new doctor or pay the difference in coverage.

The relationship between doctor and patient within Managed Care is primarily dictated by economics. The managed care system also changed the name of the players in the narrative of health care. Doctors became “providers” and patients became “consumers”. The narrative is modified through the use of language and the “bottom line” nature of the relationship is further revealed by the language used. A doctor/patient relationships has a different tone and meaning than a Provider/Consumer relationship. The doctor/patient relationship is no longer grounded in the Hippocratic Oath when it becomes a provider/consumer relationship. Although a doctor may recommend specific treatments or procedures, insurance companies determine if the procedure will be covered under the patient's insurance policy.

The respect for a patient's privacy is no longer contained within the doctor/patient relationship. Due to government regulation, any trip to a new doctor requires that a number of forms be filled out. One of these forms is the The Health Insurance Portability and Accountability Act (HIPA) form which outlines the privacy rights of patients. Due to the involvement of other parties in the doctor/patient relationship information is shared between the parties involved in treatment as well as payment. Insurance companies use patient information to further categorize patients in terms of financial risk and reward.

Reengineering and Language

Health care was also affected by re-engineering, or deconstruction. Part of the reengineering process is also the selection of language. As part of the reengineering process roles are redefined and renamed, many times this is to identify the role as a source of revenue or a cost factor. In the narrative of "the bottom line," priority is given to revenue generation and cost reduction, patients turned consumers are cost items for insurance companies who want to lower the cost associated with patients, and revenue generators for various providers who want to gain additional revenue from patients.

In *The Economic Evaluation of American Health Care*, David Dravnove approaches the business aspects of the Health Care Industry. Davnove is a professor of Management and Strategy at the Kellogg Graduate School of Management. He is also a professor of Health Care Management. Dravnove approaches health care from the narrative of "the bottom line". He states, "A small but growing number of young physicians have taken the need for management training seriously and are pursuing M.B.A. degrees either concurrently or after their M.D. training. The ongoing business education of physicians is a rapidly growing industry" (105). There is no doubt that a physician needs to understand the business of medicine in a "bottom line" driven narrative; however, is the physician with an M.B.A, primarily a business person or a physician? If the practice of medicine is viewed as an industry, then the physician is primarily a business person managing inputs and outputs in order to produce profits. His success rate with patients may be part of the calculation, but the primary interest is "the bottom line."

The MBA influence combined with market fundamentalism leads to an industrial outlook on health care. "A McKenzie study team visited a Saturn auto-assembly plant and a Levi Strauss apparel plant in Tennessee looking for tips on labor-saving techniques and processes on a manufacturing assembly line that might be adopted by hospitals. Patient care could be industrialized, just like making cars or a pair of pants" (Bartlett and Steele 114). Teams of consultants remain in the healthcare systems seeking to further industrialize the art of practicing medicine but increasing physician efficiency with one of the measures being time spent with patients. Industrialization measures productivity which would dictate that a physician spend the minimum about of time with individual patients which can lead to patients being see only as their symptoms, the "fever chart" or "cancerous growth" rather than the suffering human person. In addition, it creates a mechanistic approach to the practice of healing. It is faster for a physician to prescribe a medication to relieve symptoms than to discover underlying causes that create conditions.

The Profit of Chronic Disease

The health care system's "bottom line" is based on the differential between the cost of providing care and revenue obtained from providing care. Chronic disease may be considered a profit center. Profit centers are areas of business that consistently produce significant revenue. The most desirable profit centers bring in annuity income, in other words, constant streams of guaranteed revenue over an extended period of time. If patients with chronic disease can be located and remain in treatment for an extended period of time at a cost of treatment below the amount of revenue taken in, a profit center is created. For the insurance company, these patients are only considered "profitable" if treatment can be provided under the cost of annual premiums. For drug companies, chronic illness is a profit center.

The pharmaceutical industry has more of the upside of chronic disease, especially where the condition is treated with a drug protected by a patent. The finance department of a pharmaceutical company creates financial models before funding the full development of a new drug. First, the disease must be pervasive enough within a population that it can support the volume of sales required to meet a targeted Return on Investment (ROI). Staff researchers conduct research and develop new drugs; however, full development will not take place without pro-forma income statements and spreadsheets with a forecast predicting the profit potential of a new drug. Preliminary research with not be funded without identifying the market potential for a drug. The laboratory may identify a break-through treatment, but it will not be developed unless it can be demonstrated as profitable on a spreadsheet. In this case the spreadsheet containing "the bottom line" is more powerful than the test tube containing a treatment.

The researcher will have to provide a timetable and resources required for their research. These will then be reviewed by financial analysts who will determine if it will be profitable to fund further research. Part of the analysis will also be the expense of approval by the Food and Drug Administration (FDA). Another part of the analysis will be any revenue premium provided by patent protection which will restrict competitors from offering generic substitutes during the protection period. At the same time, the pharmaceutical company is analyzing possible liabilities that may result from side effects of a drug. Government regulation requires drug companies to clearly state possible side effects including the possibility of mortality. If these side effects are not disclosed to patients, the drug company may be liable to civil law suits.

Once a drug is approved for use, the pharmaceutical company's marketing and sales departments go about promoting the drug to physicians, and in some cases to consumers. "One-third or more of drug-company revenue is spent on advertising, administration, and marketing, with much of the money going to support the armies of sales representatives who call on doctors to persuade them to write prescriptions" (Bartlett and Steele 246). The pharmaceutical industry has found that they can enter the patient-physician relationship from the patient side through public advertising. One can see evidence of this by the numerous advertisements for anti-depressants and erectile dysfunction drugs in popular media. The pharmaceutical company wants to influence the patient turned "consumer" to request, or at least inquire about drugs rather than leaving this to the physician. Both anti-depression and erectile dysfunction medications can result in prescriptions with extended renewals creating continued revenue streams for retail outlets as well as pharmaceutical companies.

At the same time that drug companies are looking to influence consumers, drug stores continue to fight for market share in the business of dispensing drugs for acute illness and chronic disease whether treated with over-the-counter medication or prescription drugs. Walgreens, Rite-Aid, and CVS continue to build new retail stores in population centers, at times across the street from one another, in order to capture market share. The market share battle includes loyalty programs for filling prescriptions and incentives to switch prescriptions between drug stores. All of which are meant to enrich "the bottom" line of the drug store which can fill a prescription for high blood pressure medication as well as provide a sodium laden frozen meal, a pack of cigarettes (CVS being the exception on cigarettes), and a bottle of wine.

Health Care Industry

The economic activity associated with health and healing is referred to as the health care industry. Using a definition of industry as, "economic activity concerned with the processing of raw materials and manufacture of goods in factories." or 'hard work" begs a few questions. What are the raw materials of the health care industry and what are the manufactured goods? Are sick people the raw material of the health care industry? Are healthy people the finished goods of the industry? The health care industry is chiefly centered on illness rather than health. Part of the contemporary focus on health care is preventative care; however, for the most part, the health care industry is centered on illness rather than health. The health care industry is dependent on illness for profitability. Profit is derived from many facets of the industry. There are also many players in the marketplace. It is difficult to use to the term health care since the industry is dependent on the raw material of illness rather than the raw material of health. For the most part health keeps people out of the industry. Illness and emptiness is the center of this industry. Perhaps it could be renamed the illness care system?

Although there is a named goal of health care, the industry does not profit from health. It profits from illness and want. Viewing this as an industry means that all of the same pressures and forces apply to it that apply to any other industry. Profitability is dependent on revenue being greater than expenses. Capital investment is required to acquire technology. Technology providers are in business in order to gain from innovation which can be patented to create a protected revenue stream insuring a return on investment.

Why is chronic disease an annuity for the health care industry? An annuity is a fixed sum paid out on an annual basis over an extended period of time. Chronic treatable disease is an annuity in that the patient in not cured, yet does not die, therefore the patient and his or her insurance company continue to pay for services from doctors and other providers in the industry. From a “bottom line” standpoint chronic disease is good business, especially when it can be treated with a patented drug. High blood pressure is not one of the highly profitable chronic diseases in that it can be treated with generic drugs which yield little profit for a drug company; however, they may make the “bottom line” on volume. AIDS is a profitable chronic disease since the virus mutates on a regular basis requiring new drugs to maintain effective treatment of the disease. New drugs are more profitable as they are patented and therefore there are no generic alternatives available. Erectile dysfunction is a chronic condition that is becoming less profitable as patents periods are concluding and generic drugs are becoming available.

Chiropractors benefit from chronic pain, insurance companies however, limit the number of treatments that can be provided by chiropractors and other holistic treatments. The same limits do not pertain to drugs that can be prescribed for pain relief. New pain treatment drugs are profitable for drug companies; however, the increasing potency of opiates increases the risk of dependency and illicit trade in the drug.

What is Market Driven Health Care?

As part of the debate preceding and following the passage of the Affordable Health Care Act conservative elements in the debate called for market driven health care. Market driven translates into “bottom line” driven which means that health care would be driven by financial statements, statistics, technology, and pricing, rather than the Hippocratic Oath. The “bottom line” for the multiple players in the market is profitability.

Each entity within the market is making decisions based on expenses versus revenue, capital requirements, and returns to investors. In the not-for-profit model, the health care system covers costs, but it does not have an investor base looking for returns on investment. In order to attract and maintain investors, a corporation must continue to grow the “bottom line”. There are a number of ways in which this can be achieved. A company may experience what is defined in business as “organic” growth. This means that the company grows based on increased consumer demand as well as increased investment within the company. For a hospital, this growth may mean changes in branding and specialization. It is not likely that a community hospital servicing a non-specific group of doctors will experience organic growth. The hospital must change the way they do business in order to achieve growth in revenue. This may include developing relationships with specialists who perform high revenue procedures. It may also include upgrading facilities to provide suites to patient consumers who want private accommodation with upgraded amenities, venturing from hospital to hospitality provider.

Since organic growth may be limited, another way to increase revenue is through acquisition. A company can grow through acquiring competitors and then making a decision as to whether they should integrate the competitor's facilities and employees, or sell the facilities and lay-off the employees. The net "bottom line" will have grown from acquisition. It can be improved further through extraction. Not only can unprofitable facilities be sold off and employees laid off, other actions can continue to improve "the bottom line."

When growth is not available, then extraction is the next line to improve financial performance. Extraction can be achieved through cutting costs from within and leveraging exterior resources for price reductions. Cutting from within can also be called "reengineering". Based on pay and function people as well as processes are analyzed to determine where expenses can be cut. This impacts the patients' experience as the patient is seen as part of a process. Extraction can come in the form of laying off employees and outsourcing jobs within the hospital to companies that provide the service at a lower cost. It can also include using part-time employees to avoid paying benefits that would be paid to a full time employee. It also creates the opportunity for the organization to extend part-time employees when needed to cover operations without having to pay overtime. If an employee is scheduled for a full time day, and there is need for them to stay for a longer shift, the employee is entitled to overtime. If a part-time employee is required to stay beyond their shift, overtime does not apply until they have worked beyond a full time shift. Managers are rewarded for controlling the use of full and part-time employees to make sure that there is flexibility in scheduling without incurring overtime wage expenses.

After adjusting the schedules of staff within a hospital, a corporation owning multiple hospitals would then leverage suppliers to the hospital. This is done by large companies on a regular basis. Walmart is the gold standard in leveraging suppliers to make concession because of the size of their distribution channel. A large hospital concern would turn to suppliers for concessions on supplies as they represent a larger share of the supplier's customer base. These lower prices and reduced costs may or may not be passed on to the patient/consumer and their insurance companies. If there is no downward pressure on the price that the hospital is charging patients, then the savings goes back to investors. The focus is not necessarily to provide low cost health care if the market is bearing high cost health care. The hospital corporation is hoping to keep the patient revenue high, while keeping the cost of materials low. This leads to an improved "bottom line" for the corporation owning a group of hospitals. It may or may not create a more positive healing experience for the patient.

The list of players in the health care industry has grown over time with the expansion of health care technology as well as the industrialization of the field. The list of players can include the investors that own hospitals, pharmaceutical companies, professional office real estate, as well as hospital real estate, suppliers of surgical technology and supplies, suppliers of the hospital room technology and supplies including beds and all that is used to furnish a room, food service within the hospital which is most likely outsourced as it is not seen as a core competency of the hospital, nursing staff as well as other staff that provides patient care and administration, ambulance services, diagnostic and laboratory services which are most likely outsourced as well to a company that provides services to hospitals and doctor offices. This is not a complete list as other players such as insurance companies also have investors. Each for-profit company that is involved in the health care industry is looking for revenue and profitability growth in order to meet the demands of investors. Each time that an increase in profits cannot be met through organic growth, cost cutting is used to make sure that quarterly forecasts of "the bottom line" are met.

Insurance, Risk and "The Bottom Line"

An insurance company is primarily a risk management company. The purpose of an insurance company is to build a community of customers who pay regular premiums which are then used to pay out claims made by covered customers. Excess premiums are invested in order to create further income that can be used pay claims as well as bolster "the bottom line."

An insurance company is profitable if the total income from premiums and investments exceeds the total expense of claims settled. An insurance company can best manage profitability by managing the risk contained within the policy holder community. Prior to the Affordable Health Care Act, insurance companies could more carefully manage the policy holder community by excluding customers who had preexisting conditions or refusing the claims of customers who developed health issues that were named in insurance riders, the terms and conditions of the insurance contract. The "bottom line" of insurance companies is made or broken by the ability to predict the cost of claims likely to occur within the population of policy holders.

Insurance companies are driven by actuarial statistics. This is the collection of data, such as age, geographic location, profession, and other personal statistics about individuals. Human beings are converted into numbers and statistics for calculation into coverage costs based on the likelihood that a set of data points indicates that an individual is more or less likely to make health insurance claims that exceed total revenue from premiums. Preexisting conditions were used to exclude individuals from health care insurance based on the statistical correlation between the condition, the need for health care and the likelihood of expenses that would exceed premiums. Insurance companies make significant investments in actuarial science in order to better predict the likelihood that an individual will make health care claims. Each health care claim has a negative effect on "the bottom line" of the health care insurance company, so profitability demands that the number of health care claims be held to a minimum.

If the purpose of a health insurance company is profitability, and not health care, then the name health insurance is actually a misnomer. A more correct name of the providers of health payment coverage is more accurate when call Health Risk Management. Since human beings live in a world containing illness and the need for healing, and technology and industry have increased the cost of healing, health insurance companies are a multi-billion dollar segment of the economy.

Market based insurance involves betting as much as actuarial science. An actuarial table can name a predicted outcome, but it is not a guaranteed outcome. As insurance companies become more risk averse they place fewer bets that human beings will be able to beat the numbers contained in actuarial tables; however, there may be an expansion of the bet if there is a need for revenue growth. If a potential policy holder has a list of conditions which indicate a high likelihood that they will require medical treatment, premiums are increased in order to cover the bet made by the insurance company. Actuarial science is a way of setting odds on a bet, much the way that odds are set in Las Vegas.

More on Pharmaceuticals

The health insurance industry has a complicated relationship with the pharmaceutical industry as insurance companies make the payments for the pharmaceuticals that are consumed by patients; however, certain pharmaceuticals diagnosis are red flags for granting coverage. Antidepressants have a complex role in relations to different players' "bottom lines" in the health care industry.

> Antidepressants, the top-selling category of prescription drugs in 2001, had retail sales of $1.25 billion. But studies show that about two out of every three people who take antidepressants would do equally well on a harmless sugar pill. Furthermore, they wouldn't suffer from, and be treated for, the side effects for many antidepressants, such as sexual dysfunction, anxiety, insomnia, sweating, and nausea. (Bartlett and Steele 245)

Antidepressants are highly profitable products for drug manufacturers. They can be prescribed by any licensed physician without any other type of mental health therapy or attention. The market for antidepressants includes media advertising driving demand from patients. Due to government regulation, direct consumer advertising must include possible side effects in commercials and print advertising. Any popular magazine ad for an antidepressant will include one page of graphic advertising with the benefits of the drug and one or two pages of fine print detailing the possible side effects of the drug. A consumer who identifies with the symptoms named in the advertisement may request a prescription from a general practitioner who may or may not make other recommendations for the treatment of depression. As our society has much more tolerance for mania over depression the use of antidepressants continues to grow. Individuals may requests these medications in order to protect their own “bottom line” in order to continue to function in a society that only accepts mania, and has little room for someone operating at less than full productivity.

In addition to media advertising drug companies employ sales personnel who are charged with promoting drugs directly to doctor offices. Sales representatives have a “bottom line” effected by volume sold, not people healed. A pharmaceutical company representative, they could be called drug dealers, is rarely someone versed in medical art or science, they are usually a person who has built a track record of demonstrated sales skills, moving product.

In addition to the pharmaceutical companies, the dispensaries of drugs are also in a battle for market share. As the population ages, and more people are prescribed medications the number of retail outlets increase for the annuities of renewing prescriptions. The local pharmacist has been replaced with chain drug store or supermarket, or mega market that now has a pharmacy as well as aisles of mechanistic approaches to health and well-being, treating symptoms rather than causes.

Health Care System and Risk

The network of doctors, insurance companies, patients, technology companies, pharmaceutical providers, and hospitals make up what is referred to as a health care system. Again, language takes an important role in the way in which the narrative is viewed and lived. As a system there are interdependencies. As a system there are cogs and wheels, inputs and outputs. There is a question of the center of the system. Is human health at the center of the health care system or is profitability at the center of the health care system? If the system is market driven, then profitability is at the center of the health care system.

There is an argument that the system should be market driven. The question then becomes one of who is driving the system. The interests of entities with a profit motive far outweigh the individual patient within the industry. The system goes beyond those that are involved in the care of the individual, it also stretches out into the other industries, real estate, technology, and the legal system.

Any discussion of health care reform includes a discussion of the cost of malpractice suits and insurance. Practicing physicians must carry malpractice insurance since they are liable for the cost of any settlement resulting from a claim of malpractice. Actuarial science is also used to develop premiums for physicians based on their history of cases as well as the type of medicine they practice. Obstetrics is an area of practice requiring significant malpractice insurance due to the risk of being sued. The fear of malpractice suits has driven up the amount of testing and procedures performed by physicians who want to protect their ability to sustain a “bottom line”, at the same time insurance companies attempt to limit the number of tests and procedures in order to protect their “bottom line” with the patient caught in the middle of opposing “bottom lines.”

Technology and Capital Requirements

As technology of health care advances so do the capital requirement of health care. As capital requirements and technology increase, the narrative holds that efficiency must increase as well. The analysis for a capital expenditure involves the calculation of an anticipated revenue stream at some point in the future that creates more income than the capital cost of the investment, thereby meeting a company's requirements for Return on Investment. One of the calculations that is made is the cost of the capital investment verses the amount of expense that can be reduced through use of new technology.

Although a new technology may be available to provide healing to patients, it may not work in terms of "the bottom line." As with drug companies, if the market for new technology does not support the revenue to create a return on investment, the technology will not be deployed into the market place. There needs to be enough sick people requiring the technology, not just some sick people requiring the technology.

One of the ways used to justify a new technology is the amount of money that may be saved rather than the revenue generated by the technology. From a "bottom line" perspective, if a new technology can be used to reduce exposure to a type of malpractice claim that technology may be adopted. This has little to do with a patient, but it fits into the myth of "the bottom line" as all investments must have some "bottom line" story in order to be justified.

Caring for Health

At the same time that the culture is embroiled in a debate about health care expenses, there is a focus on the other factors that influence the state of a person's health. The current increase in obesity indicates that there is a direct correlation between health and food. Scientific research has demonstrated that healthier diets consist of whole foods, fresh fruits and vegetables, and minimal amounts of animal protein. If this is the case, why is food not the primary issue in health care?

The culture has become dependent on processed food and empty calories. Consumer decisions about what is placed into the body as nutrition has become a matter of civil liberty as noted in the recent debate about limiting the size of soft drinks being sold in New York City.

Time and Health Care

In the previous chapter I discussed time as an element in the production of food. Time is the enemy of perishable food. Time is a measure of productivity and profitability. The culture is obsessed with time or what seems to be a lack of time. We don't have enough time to sleep at night. We don't take time to heal because "time is money."

Efficiency is seen as using the least amount of time possible to accomplish a task. The meters are running throughout the health care system. Most of the time the meter is running against the patient for the benefit of the for-profit players in the health care industry.

As an example, what is the usual experience of going to the Doctor? First, the doctor has an office that is staffed with support personnel. In order continue a practice, the doctor must pay the rent on the office space, the salaries of the office personnel, the capital cost for any equipment including any finance expense for technology, depreciation cost for technology in the office, premium costs for malpractice and business insurance, telecommunications costs, costs for disposable items used in patient exams. The doctor may also have outstanding student loans, which affect his/her personal “bottom line”, if a doctor is paid per patient, then the key to profitability is seeing more patients.

The reality of the doctor’s office with all of these other costs, will affect the time that the doctor spends with each patient. The more efficient the doctor can be with each patient the more patients the doctor can see. The doctor’s office has to a finite number of appointments each day. Based on preliminary information provided by patients the doctor will fill up a schedule for each day with appoints that have a set duration.

As each patient is seen by the doctor the actual patient circumstances will determine the length of the appointment. Most of the appointments will take the full duration of the appointed time and many will exceed the allocated time. The time pressure for the doctor is to get the patient in and out in the allocated time so that they can see the allocated number of patients.

In addition to the time factor, the doctor knows that the insurance company has a set reimbursement schedule for each procedure or exam. If the doctor takes more time than allocated for a particular procedure, their revenue is being diluted by time. A patient can effect profitability with their communication style. An uncommunicative patient will increase the time it takes to diagnose a condition. An overly talkative patient will increase the amount of time it takes to conclude an appointment. In each case the patient is affecting the profitability of their individual exam time. A doctor who is under profitability pressure is going to handle patients in a mechanistic manner.

A doctor visit through the profitability perspective would include rapid diagnosis, quick treatment, and rapid turnover. The doctor is the high cost item in the system. The patient is a source of fixed revenue. Regardless of the personal resources of the patient, if the patient is paying with insurance, the patient is not only ill they are also a cost and revenue problem to be solved. Since insurance pays fixed amounts by procedure, the profitable doctor must complete the procedure within the allotted time or face revenue dilution.

The reason for the endless wait in the doctor's office is a dynamic of "the bottom line." If one or more patients take more than the allotted time for appointments the following patients are kept waiting. If there is an emergency the doctor must attend to patients are kept waiting. The doctor who wants to maximize revenue will "overbook" their schedule, to make sure that they see the maximum number of patients possible knowing that patients are going to be kept waiting for long periods of time.

Health Care: A Question of Whose "Bottom Line"

The United States is currently in a continuing debate over the cost of health care, once again, the question is as much one of illness care as health care. Health care or illness care is multifaceted. Health care could be considered the maintenance of health while illness care and healing is another aspect of the dynamic. A question in the current debate is asks, "Whose bottom line is going to be most affected by health and illness?"

The first entity to be affected by the cost of health and illness care is the individual. There is a question about when health care is most needed and who should have to pay for health care when it is most needed. We can take the cycle of life and determine when there are the greatest needs for health care. One way to look at health care is through resources and vulnerability to health issues. There are various stages in life where human beings are more vulnerable to having health issues, this often coincides with the availability of resources and access to health care technology. Health care technology can include access to a doctor, diagnostic tests and equipment, pharmaceuticals, and post procedure care.

Considering the stages of a life it is apparent that the times in life when human beings are least able to pay for health care are the times when they are most vulnerable. An unborn fetus requires monitoring and protection in order to arrive at a full term birth. Following birth, a human being in western culture takes approximately eighteen to twenty-five years to become a fully productive adult who can stand on their own. If the human being then goes to work and gets a job, that job may or may not provide health care insurance. From the age of twenty-five to forty-five, the greatest health care cost for most adults will be the cost of providing health care to their children.

If a person takes good care of their body through nutrition, exercise, rest, and stress management, they will tend to stay healthy in this middle period of life. At the age of forty-five to sixty-five, the human being will tend to have issues that require medical attention. If nothing else, sight will degrade at the age of forty and the person will be in need of corrective lenses. Depending on how well they have taken care of their health, other ailments may settle in based on western lifestyle, this may include, high blood pressure, diabetes, or other health issues.

From the period of forty-five to sixty-five the human person in western culture can continue to work and perhaps have a job that provides health insurance. After age sixty-five, the aging process begins to accelerate. Within the period after sixty-five there is the greatest need for health care; however, for the average person, resources to pay for health care are not as great as during the time that the person was working. “The bottom line” of health care for the individual tends to be negative as the time when health care is most needed is the time in life when human beings have the least amount of resources while tending to have the most vulnerability to health care issues. Human beings are most vulnerable, and most in need of assistance from other people in childhood and in elder years, yet, these are the times in the life cycle when human beings are least able to pay for health care from their own resources.

Payments

At present health care in the United States is paid in three ways, the resources of the individual, payments made by insurance companies, and payments made by government agencies. For individuals with enough financial resources, they are able to pay for health care out of their own pockets. They do not need the insurance industry or government agencies in order to acquire health care services.

For the majority of Americans health care is purchased through insurance companies that are funded by premiums paid by employers. This is a relatively new way of paying for health care relative to the practice of medicine. Health care insurance was first provided for employees as part of the organized labor movement during World War II.

The role of the employee also effects “the bottom line” impact of providing health care to the employee within this narrative. Employees who are viewed as commodity employees, for example a worker at a fast food restaurant is not imagined as important to “the bottom line” as skilled workers in other industries or professions as they are seen as easily replaceable inputs to production. An executive, however, is seen as an employee with a high cost to replace. In fact, some executives are seen as irreplaceable assets to a corporation, so their value to the organization is much higher than the minimum wage employee. Since their imagined value is higher, health care insurance is viewed as part of compensation as well as risk management. The hourly employee in a fast food restaurant can be easily replaced, however, it is argued that the executive cannot be easily replaced so their health care is more important to the organization.

Again, corporations are focused on profitability and growth. Although made up of human beings, decisions are made with an eye towards “the bottom line.” Each decision is supposed to be made with a cost benefit analysis behind it. Although there may be a narrative about the value of employees as individuals, at the base of the narrative there is a cost attached to each employee and with each cost there is a matter of return on investment.

Corporations with highly skilled employees follow a different narrative than the fast food restaurant. Where there is a high profit margin and the need for skilled labor to fulfill the demands of the marketplace, there is more room for medical expense spending as it is seen as a way to compensate employees as well as risk management. As a matter of cost control corporations are in the midst of making preventative health care a priority, for example, organizations have banned smoking, or will not hire smokers who present a greater risk to “the bottom line” of an organization. In addition, corporations are looking at employee weight and other factors that will cause medical insurance costs to rise.

Small businesses face a greater challenge to their “bottom line” when managing health care costs. Many small businesses do not offer health care insurance as part of employee benefits. In addition companies may only hire part time workers in order to sidestep any regulation that requires them to pay health insurance premiums for employees.

In *Kinds of Power*, James Hillman talks about forensic accounting as an accounting for all the cost generated by a company. Many of these costs are born by the society at large rather than the individual corporation. As a response to rising health care costs and the number of uninsured Americans, The Affordable Health Care Act was passed in 2010. The Obama administration positioned the Act as a means of providing universal health care. This notion appealed to the liberal segment of the population who view health care as a human right. The Obama Administration could have had more leverage with conservatives if they had stepped out or their own narrative and used the myth of "the bottom line" to their advantage. The administration could have used this to make it impossible for the conservative movement to continue to oppose the legislation.

If the Obama administration was interested in passing legislation with support rather than opposition, they could have changed the name of the legislation. Rather than call it the Affordable Health Care Act, they could have named it the Entrepreneurial Recovery Program. If health care is a drain on corporations, and especially on small businesses, the solution would have been to separate health care from business by removing employers from health care all together.

If health care were separated from employment and universal coverage was adopted citizens would not need to depend on corporations for health care. A new narrative could have been conceived of a liberation of entrepreneurs, makers of things, who would venture out into the marketplace to make their own creativity pay off if they had health care. Instead many people have to stay in jobs for the health insurance benefits because they have a significant health condition which requires health insurance, or they have a family which requires high premiums. If the Obama Administration had been able to negotiate using the other side of the narrative, they could have been more successful, instead they were stuck in their own narrative about social benefits. That is not the way that corporations and business persons operate within their own narratives, so it might have paid off to consider the narrative of the other.

The market discussion around health care costs has replaced the human value of health and healing. Rather than having a discussion about the need to address the underlying causes of health care expenses, the discussion centered on the market. There are daily payments to be made for health care. For an individual this includes the daily habits of eating, exercising, sleeping, and other factors that can affect health.

Michelle Obama started a campaign involving childhood obesity and was assailed as wanting to create a "mommy" state that would make decisions for eating habits. In addition conservatives refused to consider taxes on items that are considered detrimental to health. In New York City, then Mayor Michael Bloomberg, made the connection between daily habits and health care costs. He was successful in raising taxes on cigarettes so that the smoker has to make a more conscious decision while purchasing a pack of cigarettes. Although his soft drink ban was not successful it would have created more consciousness about the habit of pouring a large soft drink.

Part of health care on the part of the individual is consciousness. Most addictive behaviors occur out of unconscious reactions to triggers for the addictive behavior. Perhaps rather than describing these items as food or cigarette tax, they could be described as awareness or consciousness taxes. The behaviors may not be changed as much by the price as by the consciousness that is associated with the price. This could be an effective way to change the way that people consume food and other substances that are deleterious to their health.

Chapter 6

Social Media and Monetized Relationships

As an interdependent species human beings live within communities. Our hunting ancestors were most successful when hunting in groups. Our gathering ancestors were most successful gathering with others. Our farming ancestors needed many hands to till, sow, and harvest the fields. Our early markets grew out of the proximity of people where people with goods to sell could travel to a common place where people brought various items to the market, first to barter, and then to buy and sell goods with money. Each of these forms of gathering resources also involved personal interaction which included rituals and storytelling. The hunters told stories centered on hunting. The farmers held belief systems based on propitiating goddesses and gods to send weather to swell the grain. The market is based on storytelling about goods and services. Marketplace storytelling has expanded beyond the village, the corner dry goods store, or the shopping mall. It is now a global market.

With advances in communications technology, data storage and transmission, the market place has become an ever present factor in western culture. The act of buying and selling contains storytelling which goes on within the market place. There is social story telling as well as the narratives that pitch products and lead to sales. The story telling that goes on in the market place is referred to as the business discipline of Marketing. The World Wide Web, which was originally conceived for research and defense has transformed into a commercial network, used for the story telling of commercial and personal commerce.

One of the contributing factors to the proliferation of communication devices and their complexity is the telecommunications boom and bust of the late nineteen-nineties. Prior to technology innovation starting in the 1980's telecommunications were a significant expense to individuals and corporations, with great effect on "the bottom line" of both households and companies. Monthly telephone usage was carefully monitored within a household as part of managing the purse strings. The number and length of telephone calls were limited to limit expenses and long distance phone calls were few and far between. Indeed, prior to deregulated telecommunications and innovative technology a long distance telephone call was a significant event in most households. Prior to e-mail, telephone calls and physical mail were the standard mediums for social communication with accepted forms of both written and telephone etiquette.

Telecommunications in the United States was forever changed in 1982 with a consent decree requiring AT&T (American Telephone & Telegraph) to divest of the regional Bell Operating Companies which provided local service as well as controlling the telephone equipment that could be used on the network. AT&T became a long distance carrier in 1984 as the consent decree was put into place and additional carriers could enter the market for long distance service. Each regional company was now responsible for managing their own "bottom line" and AT&T's "bottom line" was effected by competition.

As additional players entered the market and fought to gain customers, also referred to as market share, telecommunications companies created new products, services, and pricing plans. Technological innovation also affected the telecommunications market at the same time, by increasing the speed and efficiency of networks. Analog telephone lines which carried the sound of a human voice across a network of wires were replaced with high speed fiber optic lines which converted the human voice into a light signal for transmission. Human voices are converted from sound to light pulses and back to sound as they travel from one telecommunications device to another. These networks transmit voices and data at the speed of light. Communication traveling at the light speed rather than the speed of sound effects the market.

Contemporary networks are referred to as broadband as there are various frequencies which can be used within one channel to communicate multiple messages. Messages are coded to take a particular band or portion within the communication channel which is enabled by the constant encoding and decoding of voice and data along a communication path.

Broadband networks provided a vast increase in the amount of information that can enter, travel through, and exit the system at one time. At the same time that broadband communication networks are expanding, data compression technology is continuing to become more sophisticated. Data compression is a system of sampling and mapping data so that data can be compressed for transmission. Rather than create a complete image of data which can include documents, photographs, and video, the data is mapped and sampled so that it can be deconstructed into a smaller package and then reconstructed at the other end of the communication. The combination of broadband communication lines and data compression create torrents of voice, images, and video within networks, and across the Internet.

Smart phones, tablets, and personal computers, are able to transmit, receive and display a vast array of data due to these technologies. In addition, all of these devices employ data encryption. This is the system that is used to provide perceived security of data. A secure session can be imagined as two devices making an agreement to use particular encoding and decoding within a particular communication system. Before sending data, the transmitting device encodes the data. When it arrives at the receiving device the encryption code is used to reassemble the message on the other end.

The revolution of telecommunications took place at the same time as the prophets of fundamentalist capitalism were extolling the virtues of expanded profits through deregulation. While networks were expanding the size of computing and communication devices were contracting. Innovation in transistors and circuitry lead to the introduction of the Personal Computer, followed by the laptop, leading to the smart phone and the tablet. Miniaturization created a faster system of travel within devices themselves. The predecessors to the modern computer were large machines that took up rooms, rather than a space in one's pocket. These early processors could be considered machines as opposed to devices.

Rather than micro circuits created with lasers and advance printing technology, the computing machines consisted of tubes and transistors. These machines generated heat and energy that required careful monitoring and management as well. All of this required significant investment. Only well capitalized corporations were able to accommodate this technology within their "bottom line."

The average consumer can now carry more computing technology in their pocket than many companies were able to afford in the 1970's. The combination of relatively inexpensive communication lines, falling prices for data storage through compression technology and the perception of privacy through the use of encryption, and the miniaturization of circuits and transistors have created technology that has altered the way that human beings conduct their work lives as well as what is considered their social life. Millennials who were partially parented by technology find the virtual world as solid as the analog world, perhaps more reassuring than the analog world, as it provided some of their nurturing.

Family and friends usually come without a monetary price. Social media must be market driven since the companies that create social media platforms must still pay for hardware, software, and communication lines. Changes in the technology as well as outsourcing have lowered the cost of creating social media; however, there are still costs that have to be offset by revenue and a positive “bottom line” is required for any going concern.

Facebook, Twitter, Instagram, and other social media concerns would not exist without data compression and storage. It is though storing and then mining data that is shared via the application that Facebook is able to create a “bottom line” for itself as well as advertisers and investors. Consider the layout of the screen when viewing the news feed on Facebook using a personal computer or laptop. The page contains advertisements in a column on the right side of the page. If one is viewing the news feed on a tablet device the advertisements are interwoven into the “news” about “friends”.

Companies now include their social media icons in their print media in order to attract and entice consumers, to “like” their social media pages or accounts. The companies can then engage in continue storytelling about their products and services interwoven into status updates from friends, celebrities, and persons aspiring to fame through social media. The advertising assault in now driven by companies, organizations, and individuals.

Contemporary life is full of advertising. It appears that any flat surface can be monetized in order to sell a product or service. A person who has traveled in the United States can see the desire of companies to connect with affluent travelers though the use of ubiquitous advertisement while traveling. Grab a handrail on an escalator in an airport and you touch a message from the sponsor. Watch the luggage being delivered on the carrousel and you are repeatedly exposed to various ads printed on the belt as you watch it go round and round.

Advertising has moved out of television, magazines, newspapers, and billboards, and into “social” life. Social media seeks to monetize relationships through incessant advertising. It may monetize relationships by observing the common interests that are expressed through a circle of “friends”. This is not a new phenomenon, however, it is a phenomenon that crosses barriers and thresholds. The market for people and products continues an invasion.

Our personal relationships and home space are being invaded by commerce at an ever increasing rate. The same mobile device that keeps a person in touch with a list of people with whom they share intimate relationships and those who accepted a random “friend” request is the same device that creates the “24/7/365” work environment. A salaried employed person is expected to answer e-mail and text messages at all times. The threshold between the marketplace and the home space has been dissolved.

At the same time that our home space is being invaded, the nature of personal relationships is changing and a new generation is growing up with a vastly different perspective on privacy and friendship. My definition of friendship is emotional relationships that occur between persons. We can be friends with family members when we share intimate relationships. We can be friends with persons outside of family when we share common interests and emotional relationship.

Social media has appropriated "friends" in place of acquaintances, however, social media creates an environment where the boundaries between friends and acquaintances can be crossed depending on the amount of emotional and intimate content that is shared on social media. The commercialization of relationships in social media is focused on creating a sense of knowledge of another person or company which might be confused with true intimacy.

In my experience the word "friend" doesn't apply to more than a handful of people for the mature adult. After this handful, there are associates and acquaintances. I don't believe a mature person can sustain relationships with hundreds of "friends", yet Facebook has used the term to describe anyone who has selected "confirm" from a solicitation to connect via the application.

The plethora of friends or "followers" is not a function of interpersonal aptitude, intimacy and communication instead it appears that this diminishes interpersonal skills, trust and substantive communication as friends and followers pile on to add negative comments to one another's pictures, status updates and "tweets." All of this content and sharing is not the result of progress in human relationships and intimacy. It is due to data compression, high speed communication, data encryption, data mining, and commercial interests seeking to monetize human beings' search for community and meaning.

Broadband communication is the first pillar in enabling the friends and followers created by social media. If not for broadband, there would be no efficient way to distribute the status updates, check-ins, photos and videos published on social media. The sniping comment, the damming picture, the embarrassing video, as well as the new baby gurgling, the cat playing the piano, and the challenge for charity are all enabled through broadband technology. Text, images, and videos, are delivered to a community which can span the globe at the speed of light.

All of the status updates, check-ins, photography, and video need a place to reside so that they can be redistributed. Although they appear to be the property of the person posting the information, all of this text and graphic data goes into the social media providers' databases. Social media databases rely on data compression and storage in order to hold all of the information communicated by participants. Although the cost of storage per member may be relatively low the number of subscribers to the service creates the need for vast amounts of storage. This storage space has to be purchased or leased, obtained and paid for at a cost that is lower than total revenue in order to meet, "the bottom line." Since people will not pay for the cost of broadcasting their lives, advertising revenue and corporate subscriptions keep social media "in the black."

At the same time that people are using social media to broadcast the intimate details of their lives there is a general furor about the surveillance activities conducted by the National Security Administration regarding the collection of phone call data made by American citizens. It is interesting to see the upset caused by the government collecting information on what people consider private phone calls versus the amount of personal information that people post on Facebook. Larry Ellison, the Chairman of Oracle, which specializes in data management, participated in an interview with Charlie Rose. He stated that it was interesting to note that people will provide vast amounts of personal data in order to secure a credit card; however, they were upset that the government was collecting telephone conversation data in the form of statistical information about phone calls, not the content of the phone calls. Ellison also noted that there was no documented case of the information collected by the NSA being used incorrectly. It is doubtful that the average person will be affected by the NSA's surveillance; however, relationships can be effected by social media.

In most cases our personal relationships are not considered "for-profit" ventures. This is a debatable statement as it can also be argued that we only involve ourselves in relationships that benefit us. There may be payouts from relationships that are not monetary, so I would agree with the statement from that perspective; however, I don't have a relationship Profit and Loss statement that is prepared on a quarterly basis. Social media on the other hand monetizes relationships thanks to telecommunications, data compression, and storage technology. Each person's data that is posted on social media is retained in a database. This data is then reviewed and analyzed in order to determine behaviors and personal interests. (The NSA is not collecting information this deep.) It is analyzed against the consumer profiles provided by advertisers in search of new or existing customers using social media or on the Internet.

The placement of advertisements on the Internet is not unique to any particular provider of social media, the main difference being social media monetizes information provided in social interaction rather than browser history. Anyone who has visited a major web site has seen advertisements that are specifically targeted based on browsing behaviors. As an example, a consumer may go to a web site such as Overstock.com. This is a web site devoted to providing marked down consumer goods from manufacturers who may not have been able to sell their inventory through other distribution channels. A consumer visits Overstock.com and searches for household goods, for example, an espresso maker. While the consumer is on the Overstock.com site, the site drops a cookie, a small piece of computer code that holds information identifying the device used to access the web site and a profile of consumer activity. The cookie is used to identify the consumer as they continue to browse the Internet. If the consumer leaves the site without making a purchase on Overstock.com and does not clear the cookies in their browser, they will be served an ad for the product when they visit another site that is within the advertising network used by the entity that is distributing ads for Overstock.com. The consumer may go to a news site and notice that the site now includes an ad for espresso makers from Overstock.com.

One of the issues with “the bottom line” of Internet sites that only provide content is that consumers are generally unwilling to pay for content through paid subscription. Instead consumers pay for the content with the collection of their browsing behavior, so that they can be served targeted advertising. Advertisers pay the web site for providing customers that meet specific profiles including those that have visited a site without purchasing as well as those that make repeated purchases.

Social media has changed the way that consumers are targeted for advertising, rather than using activity related to web site visits social media targets consumers based on the information provided in the user profile along with the information of companies they follow and the virtual company they keep. Social media can identify age range, martial and family status, deduce sexual orientation, or any number of criteria considered important to advertisers based on the user profile and "social" interaction of the social media user.

Selling Your Friends

One tactic used by companies is an old tactic belonging to the Trickster archetype, the shill. A shill is a promoter for a good or service. Shills are now used in social media; however, they are not as apparent as they may have been in the past. With the dispersion of media and the general suspicion of blatant advertising a new type of promotion, guerilla marketing, came into place. Much like guerilla warfare, it is a form of independent marketing carried out with the use of camouflage. Forms of guerilla marketing can include a conversation between two people on a crowded train at rush hour. The two people may appear to be strangers; however, they are both working for the same company trying to promote a good or service. They stage a conversation at a level that can be overheard on the train. The staged conversation may be a heated discussion on the benefits of a particular product. The conversation enters into the consciousness and unconsciousness of fellow passengers. This same tactic can be used in social media; where a person may relate information about a good or service, based not on experience but on compensation.

Social media is also the place where the modern shill is at work. A person can monetize the number of friends and followers they have by agreeing to product placement and advertising with a company. At times it is out in the open such as on YouTube, at other times it is camouflaged. If a company identifies a personality with a large number of friends or followers on social media, they will pay that person to promote their product. Relationships that are based on mutual interest, entertainment, or perhaps perceived friendship, now provide a revenue stream for the person who can influence market share through personal relationships, albeit personal relationships that are in fact highly impersonal.

Intermediated Experiences – Cheap Images

It is almost impossible to go to popular cultural events without seeing a sea of mobile phones with displays lit up, recording the event. At the same time that an actual event is happening human beings are viewing the event through communication devices. For example, at a popular music event or a sporting event large segments of the audience are holding up their mobile devices taking video of the event. Although they may hear the music they are watching the screen on a device rather than watching the performers with the naked eye. Many of these recordings with bad sound and wobbly images will end up in news feeds on personal pages on social media. It seems that for those intent on recording the event, the primary experience is no longer the experience of attending the event, the primary experience is advertising attendance. The wobbly video and bad sound won't be held as a reminder of an experienced event. It is not meant for the person in attendance, it is meant to show social media "friends" and followers that they attended the event. The "friends" and followers are the consumers of the bad production.

A recent iPhone commercial proudly declared the immense number of pictures that are taken with iPhones. Once again, technology has brought down the cost of gathering and storing cheap data. It has also increased the consumption rate of data and images. If we compare the analogue process of taking photographs with the digital process of taking photographs we see the capacity for cheap images. An analogue camera has a finite number of photos which are developed at some point after an event had been photographed. The person using an analogue camera has to make choices about the photographs as they take them as they will run out of film. There is a “bottom line” to the number of photographs they can take before running out of film. The analogue photographer may have extra rolls of film, but there is a finite number of photographs that can be taken on each roll of film, and a limit to how much film will be carried by the photographer. This limit requires a mindfulness on the part of the photographer during an event because they were going to need to judge the relative importance of an image.

A mobile device with a camera connected to remote storage also known as “the cloud” and social media creates a stream of images much like a stream of consciousness. There is no need to edit or to focus as the capabilities to create images are virtually infinite in the span of most events. Cheap storage creates place for the endless stream of images. “The Cloud” seems to be a good metaphor for an ethereal place of endless storage. For $9.99 a month, an individual can buy 100 gigabytes of storage on DropBox.com. That is enough storage space to accommodate 20,000 photographs. Compare this to the shoebox method of storing analogue photographs. Add up all of the individuals using cloud storage and it can be imagined that there are millions if not billions of shoeboxes worth of photographs stuck up in the cloud. Most of the analogue photos in shoeboxes were rarely reviewed or catalogued. Imagine the fate of the digital images in the cloud after a select few are used for personal advertising on social media. A select few can be used to create an image of a life, imagined or real, to create a personal brand.

Personal Brands and Social Media

One of the important words used in marketing is “brand.” Brands are the images and narratives that make up a consumer experience of a good or service. Some companies are more adept at creating a brand image. For example, Coca-Cola is a multibillion dollar corporation with a recognized global brand. It is a strong global brand not because of the sweet brown fizzy liquid that it sell, it is a brand because the sweet brown fizzy liquid has built a compelling narrative about what it means when a consumer purchases and consumes the sweet brown fizzy liquid. Coca-Cola has diversified into sports drinks, other sodas, and that most precious commodity, water. This is a company that has taken commodities and made them into household name products. One of the advantages of a strong brand is building consumer preference for the brand. It may appear that the world of people who consume sweet brown fizzy liquid is divided between those that drink the concoction formulated by the Coca-Cola Company, and those that drink the concoction formulated by PepsiCo.

Each of these companies make a fairly comparable beverage, however, the competing narratives between the two companies result in millions of dollars in advertising and billions of dollars in sales. There is no question that branding is a powerful tool in the marketplace. Since the market is centered on communication, brand is the central narrative of communication in the market place.

In the early 1990’s William Bridges published books on transitions and change management. This happened to coincide with the end of the Cold War, the emergence of the Internet, and the beginning of corporate reengineering, where in employees of corporations saw the beginning of the outsourcing movement, many of whom needed to find new ways of making a living. One of his books, *Job Shift*, generally stated that jobs were going away; however, work was going to be plentiful. He argued that one of the keys to making a living in the future, would be the establishment of personal brands.

Personal brand is another way of describing a reputation. Persons have social as well as business reputations and brands. A successful brand is marked by cohesion between the narrative that is pitched and the experience of the consumer. For example, a company that claims to care about customers, and then is assailed on social media for lackluster customer service has a problem with their brand as the reality and the narrative are not synchronized.

Reputation has long been a part of personal career success. Jobs are often won or lost based on an individual's capability to deliver on the narrative that has been included in a resume or recommendation. A failure to deliver on the personal brand promise in a resume or cover letter will often lead an individual back into the job market.

The social personal brand consists of how an individual is perceived by a community of friends and acquaintances. Outside of social media this involves experiences with other people which will reinforce or negate a personal brand. These brands may be described on social media or damaged by social media. If a person is consciously building a personal brand on social media which may lead to more professional and personal relationships then the negative or unconscious side of social media may be considered. The technology that enables social media has a positive and negative effect in creating personal brands.

Image and reputation can be made or broken in new ways with social media content. Words spoken in conversation with a friend dissipate as the sound waves lose energy. Spoken words are received by those that are within the range of the sound waves energy. Once the sound wave loses its energy the words spoken are remembered by the receiver. Words typed in an analogue letter to a friend can be eternal; however, it is unusual for an analogue letter to be forwarded within a community of friends and acquaintances. An email or social media post can be forwarded both within and outside of a community. There is a more eternal aspect to this type of communication. Perhaps the cloud metaphor is not lost on this eternal aspect of electronic communication.

In addition, to the eternal nature of electronic communication, previous protocol and etiquette used in communication have eroded. Speed, brevity, and immediacy, alter the content and customs of communication. Included is an immediacy of reaction in that online posts, and pictures are “liked” or subject to comments. Comments can then start virtual streams of consciousness which can include the negative and the positive. In all of this, the personal brand is up for grabs depending on the conscious efforts of the person posting as well as the audience receiving the newsfeed, post, or “tweet”.

Since photographs are easily taken, stored and shared, they also have an eternal life rather than being buried in the shoebox sarcophagus. They can easily be resurrected from storage in the cloud where they are sorted with time stamps in virtual albums. Although photographs may be deleted from social media, they may have already been shared and forwarded perhaps stored in another user’s portion of the cloud.

The context of analogue interpersonal relationships and reputation can be skewed by the technology of social media. Images and posting have a solidified state which lacks the subtlety or context of personal interaction. Personal brands can easily consist of fantasy rather than substance. Although brands that fail to deliver on their promise are rarely successful.

Encryption

Part of developing an interpersonal relationship is deciphering the interpersonal encryption that often happens in real time. Human beings signal each other in non-verbal and verbal ways. At times an inner circle may scramble their communication in order to encode it to prevent others from understanding it. Encryption is a key technology to include insiders and exclude outsiders. Encryption is the science used to scramble information between senders and receivers of communication during transmission. For example, when encryption is used between two people sending e-mail over a Virtual Private Network (VPN). Persons who are signed into the VPN are using the public Internet to communicate, however, encryption technology is used to create a virtual private network. The encryption technology is meant to ensure that outsiders to the network cannot read the communication that takes place within the VPN. The virtual private network also allows users to access databases and other information that is on company hardware platforms as if they were sitting in the corporate office on the secured network in the physical building.

Encryption is also used between personal computing devices to prevent others from “hacking” into devices. Hackers are able to bypass encryption systems in order to obtain protected data or images.

Social Media Customers are the Ones Who Pay

Social media has changed the notions of security around friendship and relationships. Those who are using social media applications to maintain a social network are not the actual customers of social media if one views a customer as a person who pays for service. The true customers of social media are the advertisers. It is an important distinction to know when one person is acting in the role of a consumer and when one is acting in the role of a user of an application. Based on the narrative of “the bottom line”, the advertisers on social media are the customers, since they are paying for ad placement to users who have displayed content within the application that can be measured against an algorithm to determine the ads that best suit their interests.

Although there is media coverage that states that Facebook is interested in privacy for users, which may be the case on the exterior of the applications, it is not necessarily the case in the way that Facebook actually operates. The user may choose different levels of security on Facebook. They may choose to display information to anyone, to all their Facebook friends, or to a select group of Facebook friends. While this creates an illusion of privacy, the real customers of Facebook, the entities that provide revenue to Facebook, have access to users through advertising. The advertiser relies on data search technology to deliver advertising to users based on the content that they have loaded through posting their location, their interests, and their “likes” of individual companies.

Companies that use Facebook for commercial advertising can pay Facebook in two different ways. They can pay for their corporate page and find ways for consumers to “like” their page. This “like” gives the company free access to post into the users news feed, so that they can place advertisements posing as “news” at any time. The use of the term “news feed” may be more accurately described as content feed as it will include content from friends, “liked” entities, and paid advertisements. Although a user may assume that their information is private, either protected by password access, user preference filters, or encryption, there is access to user information within the data held by Facebook.

The Trickster – Encoding, Decoding, Compression, Expansion

Telecommunications and data transmission is the science of encoding and decoding so that data and voice can be shipped, or travel through a communications channel. There is a technical encoding and decoding as well as social encoding and decoding that goes on within the networks.

The term the Internet has become less tangible as an external entity. Instead it is evolving into something that surrounds the individual as we carry mobile devices in pockets and purses that facilitate a telephone call, carry hundreds of books, order food for delivery, and check on the "status" of friends, family, acquaintances, colleagues, strangers and family pets. All of the information that is received on these devices has been manipulated in order to get to the mobile device. Although it appears that the voice, photograph or text is a complete replication of what was sent out, there are often tiny pieces missing from the original message.

Digital images are made up of tiny dots called pixels. Each pixel or dot is either black, white, or a primary color, red, yellow, or blue. Color pictures are made up of these dots arrange to create all colors, hues, and contrast. Digital photographs are measured in terms of megapixels. A megapixel is 1 million pixels.

In order to transmit large photos or streaming video, the images and video are compressed, which means that the images and video are deconstructed and then reconstructed. The science of compression involves a scan of a file with a determination of repetition within a file. Instead of sending all of the repeating elements with a file, a compression program will map the repetition and replace the repeated elements with small representations so that the image can be reconstructed on the other side of transmission.

Images are mapped, deconstructed, transmitted, and then reconstructed on the other side of compression. The reproduction may not include all of the data that has been sampled. This is the case when you are on the other side of a garbled telephone conversation. The message is being manipulated for transmission. If the signal is not strong enough for thorough sampling before transmission, the recipient will hear the message with pieces missing.

Although the technology continues to improve, one can most readily experience this when using an “IP-phone” (as opposed to an iPhone), this is an Internet Protocol phone. In order to improve their “bottom line” both individuals and corporations use these types of phones which rely on Internet Protocol in order to transmit data. An analogue telephone line, transmits a continuous signal along a communications network. IP-phones use the transmission protocol of the Internet which is a packet switching network.

As an individual is speaking on one end of the IP-phone conversation, the voice signal is broken down into data, the data is then placed into virtual packets. The packets are then transmitted through the Internet which can mean that that packets take different routes on the way to being reassembled on the recipients’ end of the conversation. As the packets travel through the Internet, they may travel at different speeds along different routes. This can result in garbled communication, or communication with large gaps as the packets are received and reassembled. I have been on many calls where the two parties have to purposely listen and wait until the packets are reassembled to get a full conversation. In addition, these lines tend to make it impossible for one party to hear the other if one party is talking and the line is taken up in one way communication. The conversation only proceeds when the packets have been reassembled. It changes the pace of the discourse as each party awaits the reassembly of the other party's messages.

In addition to packet switching which deconstructs and reconstructs communication, compression has been used to improve "the bottom line" of transmission and storage by decreasing the amount of data that needs to be transmitted as well as the time that required for transmission. Encryption and compression are encroaching, not only from the technical side, but from the user side as well. As people multitask, or attempt to save on message size, they use their own encryption. Emoticons and abbreviations are other forms of encryption and compression. Virtually anyone who uses text messaging now understands the compressed expressions, ROFL, LOL, BRB, IDK as Rolling on the Floor Laughing, Laughing Out Loud, Be Right Back, and I Don't Know.

Twitter forces a form of compression by limiting "tweets" to 140 characters. Users on Twitter find creative ways to limit message size in order to meet the 140 character constraint. This communication is incomplete and usually meant to evoke an image or incite a reaction from followers. At times there are links attached to a "Tweet" which lead to more extensive content. There is a trickster quality to this type of communication in that the sender is playing with standard language in order to send a message. At the same time the reader must fill in the blanks, or make assumptions in order to determine the meaning of a message.

Social Media and Personas

Social media creates a slide show of selected images in the form of status updates, photographs, “likes”, and abbreviated “tweets” manufacturing and sustaining personas that may have little or no relationship to exterior lives lived or internal lives experienced. C.G. Jung describes the persona as, “…the face we never show to the world because we cover it up with the *persona*, the mask of the actor” (CW 9:43). Social media can be viewed as a collection of masks, a parade of personas. Various social media sites cater to different types of masks, LinkedIn is used for professional or career networking. Facebook can be used for professional, social or dating purposes. Other applications focus on romance, dating, or sex.

By virtue of the fact an individual must create a profile for social media based on the parameters of the site, the person is creating an on-line persona. This is not a new phenomenon, as human beings use personas to navigate business and social relationships in real time as well as in the virtual world. Perhaps the main difference is the sustainability of the on-line persona. The mask used in the on-line space can be constructed with altered photographs to achieve more refined masks. For example, mobile devices have applications which can alter images, in particular, the “selfie.”

“Selfies” are pictures taken of the physical self; however, they are not pictures of the personality. Selfies are pictures of the masks that people wish to consciously or unconsciously create. Applications can be used to make one look stronger, thinner, or younger. The mask can be altered and then posted on social media. Each of these is a way of making the individual more marketable within social media. The photograph moves deeper into a fantasy as it becomes altered.

Fantasy images proliferate on social media as users obtain positive feedback for the story told by the persona. These fantasies lead to the “catfish” phenomenon, a term used when a person creates a fantasy persona in communication with another person on social media. It is an exercise in projections. The hapless victim projects their own desires on the catfish who toys with the victim of the prank, finding out more information as the prank progresses, based on the strength of the projections.

Advances in electronic photographic technology, along with communications technology create possibilities for new personas to be born from one person. The analogue world has fewer opportunities to create sustainable personas. For example, a professional persona usually consists of education, experience and a reputation within a business or professional community. A professional persona is sustained through continued experience and delivering on the promise of the persona, which can also be thought of as a personal brand.

The on-line persona does not have to deliver anything in real time, if the persona only exists in social media. Social norms have shifted as human beings find solace in on-line personas rather than real time personas. Taking a persona into the analogue world involves ego strength in supporting the persona. In business and professional circumstances, a persona can collapse under challenge. The virtual persona on social media may encounter negative feedback, but it is more sustainable as it is difficult to unmask.

Social media can be used to display a fantasy life over a lived life even when photographs are unedited. Social media allows a person to extend their persona, their personal brand, whether or not it is an authentic dimension of the individual’s personality. The photographs of fabulous vacation, do not include the squabbles with the traveling companion, or within the family, unless, there is a desire to include that within the narrative. Photographs of sumptuous meals in top restaurants do not include the credit card statements that may be reaching the maximum credit limit. These events occur with or without social media, the selected images are used to reinforce a desired persona on social media.

There is a non-financial “bottom line” within social media as human beings construct personas perceived to have the greatest return with the social community. The personas on social media become brands and products as human beings package the presentation. Social media also seems to have a return for the user in demonstrating that they exist, even if it is only their persona that exists in the virtual world. Social media posts include, the “check-in” function which broadcasts the location of the person.

There are different scenarios in the desire or need to “check-in” and broadcast a location. One can be the reinforcement of the persona as being in places where a particular persona would go. For example, the persona that includes fine dining may “check-in” at a restaurant and then post pictures of the entrée. The fitness persona may “check-in” on each visit to the gym to reinforce the persona. The academic may “check-in” at the library. In each instance, the persona is stating where they are relative to the mask that is worn by the persona, as if to say, “Here I am, this persona is true.” The person and personality may be along for the ride, but it is the persona that is posting a location on Facebook or Twitter. The personality resides whether or not broadcast, the persona craves validation and reinforcement, which may not be in the unconscious control of the person.

The same social media functions can be used by a person in a very conscious way as well as unconsciously. If a conscious person wants to attract people with similar personas, they can use social media to do so; however, the conscious person will realize that there will be more dimensions to other people in their community if they encounter them in real time. The conscious person will realize the trickster aspect of personas on social media.

Social media has altered the social norms of civility in addition to creating space for creative personas. It is as if each persona, in the desire to be recognized, also has a bravado that enables them to post comments on-line that would not be made in person. This is more likely to occur in media where the individual does not have to provide any real identifying information only the information related to the persona. It can also be a type of pseudo celebrity within a social group within social media. Twitter, and the 140 character comments can provide amusing dialogue, or multi “tweet” diatribes were vitriol appears to be the currency of the pseudo celebrity of a persona.

Personas may contain archetypal elements. Social media on dating sites contain the archetypes of love, romance, and sex. They intertwine the archetypes of love, romance, sex, and the market. The profile is the personal brand, a persona, which is used to market and promote the individual to other members of the site. The profile contains physical attributes, which may be factual or enhanced. It may also contain photographs which may be retouched through the use of Photoshop®. The narratives within the profile are the narratives of the persona that the person wants to broadcast to other members of the community. In addition to the social media sites, there are also sites which humorously translate the exaggerations and claims made on social media. Which may challenge the personas created on the site. The marketing purpose of the dating social media site is to “hook” another member, which may lead to dating or an assignation, also known as a “hook-up.”

One social media site promises success in romance and relationships based on an extensive questionnaire. The purpose of the questionnaire is purported to be a way to match individuals based on an extensive list of likes and dislikes. The issue with this type of matching is a question of “who” is filling out the questionnaire. Is it the true personality of the person or the persona of the person? It is more likely to be a persona of the person filling out the questionnaire, rather than the multi-dimensional personality. All romance begins with personas and projections; however, sustained relationships are created through the dissolution of personas and the meeting of personalities. This particular site runs television commercial citing the numbers of marriages that have resulted among members of the site. Saturday Night Live did a parody of the site which portrayed people simply meeting opposite sex replications of themselves and falling in love with the mirror image of a particular persona.

The Marketplace is Everywhere

The marketplace is no longer a physical space, it is ubiquitous and each person carrying a communication device or a smart phone is now carrying the marketplace with them. The marketplace is no longer limited to goods and services for sale. The marketplace is also a place of exchange for relationship as “friends” are added to social media connections and persons are added as professional links.

Historically, the marketplace had a distinct location as well as a point of entry and exit. It had barriers and most importantly, boundaries. The virtual market place has no entrance nor exit when it exists in the virtual world. One has only to notice the number of people that are constantly connected on the phone or via social media, much of which contains advertisement either from personas or corporations.

With the ubiquitous marketplace comes ever present work which no longer has the boundaries of a beginning or end time within the day. There is no going to and leaving the office as work is always waiting in email on the device in the pocket or purse. Within developed economies, companies have been laying off workers as technology has replaced functions once performed by human beings with technology, as well as using technology to encase the individual in work. Productivity is a term used to determine the amount of output from a unit of labor, a human person.

Although technology has increased productivity in the physical work space. It has also made the work day boundless. A person who works as a “knowledge worker,” one who does computing or analysis, or even sales, never rests because work is always beckoning.

Productivity also drives individuals to create a persona that can be perceived as always available and constantly working. There are bragging rights around the number of hours worked. In some fields billable hours are the main measure of productivity; however, there are also those that will send late night email to demonstrate a never ending devotion to work and productivity.

Are You Important?

Information and data technology have altered the way that businesses interact with customers. Companies are constantly finding ways to limit human contact to only those customers that can demonstrate a positive, or significant contribution to “the bottom line." The practice had been going on for over a generation so there is now a generation whose only experience of customer service has been mediated by technology.

Any company that has a web site has a version of "self service," In the case of banks, this means that the consumer has constant access to account balances and the ability to take a photograph of a check and transmit it to the bank in order to make a deposit. From a "bottom line" standpoint, corporations view a customer interacting with technology as a less expensive alternative to customers who have interactions with employees. Banks appear to be on a constant mission to find the right mix of physical locations and technology in order to attract and retain customers.

Banking deregulation provided banks with the opportunity to change the way that they conducted business, as well as the products they offered. Prior to deregulation banks were divided into saving and loans and commercial banks. The definition of financial institutions has changed as banks moved into territory previously held by other industries and vice versa.

At one point banks were closing branches and charging customers to speak to bank tellers since technology could accommodate the majority of transactions. Automated Teller Machines (ATM) replaced the bank teller. Direct deposit from employers into employee bank accounts all but eliminated the "pay day" queue at the bank. Direct deposit also eliminated the hold on funds since the check did not have to be processed through a central clearing house. All of the funds deposited become available for immediate spending thanks to telecommunications technology, with a special thanks to data encryption which creates the appearance of security.

Access to a human being at a bank has much to do with the amounts in accounts. Customers with smaller deposits have access to mobile applications, “apps”, on their phones, ATMs, as well as Internet access to the bank’s web site. Wealthier clients have personal tellers who assist with “wealth management.” The customer deemed providing more profitability is given human contact.

Just as banks now provide service levels based on profitability, airlines and other industries that previously prided themselves in their human touch, now limit human contact to only their most prized customers. This de-democratization of customer service is possible due to data storage and analysis technology. Customers spending is recorded and stored in databases. This data is then analyzed in order to determine the treatment to which a customer is entitled. The airline industry has moved to a wheat and chaff model of customer service.

Prior to the collection and analysis of consumer spending data, each passenger was treated in about the same regard depending on the cabin in which they were riding. Coach customers each had the same amount of leg room, and First Class passengers were all treated as honored guests. With the advent of more sophisticated data management in the 1980’s airlines began to track customers based on Frequent Flier numbers. Rather than a name, which may not be a unique identifier within a data base, customers were encouraged to sign up for loyalty programs so that they could earn points for “free” travel in the future. Those same programs and the associated numbers are now a way for airlines to differentiate the service provided to passengers based on their contribution to “the bottom line.”

The coach section of major carriers is being divided into multiple sections with differences in leg room and service. Passengers who travel frequently with the airline are given enough room for the average adult to bear the flight. Passengers who travel less frequently are given less leg room and less service, although they may be paying the same fare on a particular flight, they are not seen as making a sustained contribution to the "bottom line", so they are in the chaff section of the airplane.

Data technology has also change the way that customers are now able to pass through security lines manned by the Transportation Security Agency (TSA). After September 11, 2001, each person had to undergo a thorough security check in the TSA process at the airport. As time has passed, the TSA and the airlines have developed the data technology to identify frequent flyers who are regarded as posing no threat to the transportation system. After paying a fee and supplying personal data and digitized fingerprints to the TSA or U.S. Customs, a passenger can be deemed a "trusted traveler" and assigned a number that can be entered into an airline reservation. This number is used to grant access through a "Pre-Screen" line which allows the traveler to forego removing shoes, taking out laptops, or undergoing x-ray scans.

Trusted travelers tend to be business people who travel for the purposes of commerce. The repeated detailed screening of these passengers was creating a sustained expense for the TSA as well as inconveniencing the top revenue passengers of the airlines. By using data technology, the TSA and the airlines are able to make a time saving contribution to the economy. In addition, there is reduced human interaction in the screening process, as these passengers spend less time going through security.

Amazon.com, the most successful on-line retailer, originally launched their web site without the capability of reaching a human being for a conversation. All customer service was conducted over the web site or email. It is as if the market and communications have a self-sustaining relationship that would like to eliminate human beings all together which seem to slow the speed of transactions. Amazon has consequently added the capability to place a phone call to the company for customer service, but the number is buried deep in the “contact” section of the web site. Consumers are first offered forms to fill out, or user forums to consult.

When a company does offer human contact, it can now take forms other than a telephone call. Many web sites now offer customer chat rather than customer telephone call. Chat is a text based form of communication that eliminates the nuance of voice in a conversation. On the one hand it is a thoroughly documented interaction, on the other hand it is difficult for the customer to express any subtle emotion in the situation they are trying to address.

Technology companies have shifted the cost of customer service on to the user community. Technology support teams at these companies are reserved for large corporate customers or for customers who are willing to pay a premium in order to talk to a company representative. Although a company such as HP has made millions of printers, they have no desire to talk to a customer after the sale. Part of this is the fact that there is no profit margin in service once the sale has been made unless there is a service contract. Where service was once considered part of the sale of a product, it has now been unbundled and must be purchased separately. A way for companies to point to service is to publish user community chats and questions. This provides answers for repeated questions, but it does not allow for the nuance of a personal conversation.

Automated Voice Response Systems (AVRS) are used as substitutes for human interaction via telephone. These systems have become more sophisticated since they were first introduced. The replacement of the rotary dial with touch tone dialing opened the way for commerce to be conducted over the telephone with only one human being involved. Touch tone phones use a distinct tone for each number on the key pad. This enables the user to signal using the key pad rather than voice. Again, it is as if the market and communications systems were seeking to break off to generate sustained transactions. Early AVRS systems asked questions and then offered numbered possible responses, "If yes, press 1," Current systems now combine touch tone with voice recognition responses.

Voice response systems are a structured conversation with a machine that use a prerecorded human voice to guide a customer in a conversation; however, if there is disturbance on the line, or the program is not sophisticated enough to listen to an accent it can be a frustrating experience. It is offered as a customer service feature; however, it is a "bottom line" way of eliminating human contact to control costs. In addition the customer must serve the system in order to be successful by carefully repeating commands or defaulting to touch tones in order to be heard by the machine. Customer service has been altered so that customers now serve the technology of the retailer. The systems are structured so that the customer behaves in a specific way to limits cost.

Banking ATMs have gone from a cost item to a revenue center for banking as the demand for cash machines has grown. What was once seen as a less expensive way to interact with customers now garners a transaction fee. At the outset, ATMs were used as a way of keeping customers out of the teller lines so that teller staffing could be reduced or employees could be cross utilized for other functions. As ATMs became ubiquitous and customer demand grew as customer preference shifted from standing in line for a teller to being able to make a quick transaction, banks began charging transaction fees on ATMs. The technology was used as a way to change consumer behavior, train the customer, and then charge for the service.

Businesses have also been able to add to “the bottom line” by trading on customer desire for significance by offering, premiere, elite, and V.I.P. services. These services may have been a standard part of the offering at one point; however, businesses now “unbundle” services and then charge for each element of the service. Amusement parks and other forms of entertainment that involved standing in line have monetized “taking cuts.” Most of us experience the “no cuts” rule in grammar school. Everyone is expected to stand in the line without jumping the line in front of others. The Disney Company and others have seen the revenue potential in making an experience miserable enough that people are willing to pay for the privilege of jumping the line. Premium priced tickets can be purchased to get to the head of the line, or take a ride by appointment. It seems that there are financial analysts and marketers determining how to make a standard experience just miserable enough that consumers are still willing to participate, but purchase some sort of upgrade on the experience to make it more tolerable or to demonstrate that they have elite status over others who must stand in the longer line. There is now a defined cost for each level of dignity.

I attended a hospitality industry conference in 20013, where the CEO of a major hospitality and gaming company discussed how they use customer data in order to attract and retain their most profitable customers through data collection and data mining. Those who own the casinos don't care to gamble with their own "the bottom line." As with many other companies that seek to identify and retain valuable customers, this company has a membership program in which customers are issued cards with customer numbers. The cards contain an electronic strip which contains the customer's identification number. Each time that a customer sits down at a slot machine they insert their card into the machine. If they sit down at a gaming table they hand their card to the dealer. This identification process allows the casino to track the total "gaming" activity of the customer, it also determines the level of customer service for the gambler.

By tracking the bets, wins, and losses of the guest, the casino can tailor the customer experience. If the gambler is not a regular customer, or is betting low amounts, their losses will go unaddressed. If however, they have been deemed a valued customer, and their losses are significant, a member of the casino staff may approach them and offer them a free trip to the buffet table, where they are sure to win. Although customers are sitting side by side at the slot machines, the casino is able to tailor the customer service experience directly to the guest based on the total "bottom line." The unprofitable customer receives little to no human interaction, the profitable guest receives individual attention.

In addition, the card recognizes previous drink orders from the guest. The guest can then order a drink with the push of a button on the slot machine. This serves "the bottom line" in two ways, first, the gambler does not have to get up to get a drink and can continue gambling, second, the casino can alter the staffing requirements on the casino floor. Guests who participate in the rewards program will be served well, while other guests can be ignored. The casino only has to staff for the most profitable customers.

The CEO also detailed the characteristics of the customers from which they derive the most profit. Their target customer has time and money. If one looks at the glossy advertising for Las Vegas this would appear to be the young and hip professional who glides out of the limousine ready to party, and that is the problem, they will party rather than gamble. The most profitable customer for this company are retired seniors with enough income to arrive at the casino and sustain gambling. On a recent trip to Las Vegas I observed the elderly, the infirm, and the exhausted, making wagers on the casino floor. It is as if there were a guide of souls into the underworld inhabiting the casinos.

One of the highlights of the Las Vegas casino is the all you can eat buffet. This used to be a "lost leader" which was offered to a customer to lead them into a purchase, but it is not a major source of revenue and may be offered just to entice the customer, knowing that other products and services are the real point of the luring offer. The buffet has become a point of elite status. Rewards programs members are offered the buffet at lower prices than the general public, and in some cases, the general public does not have access to the buffet. The buffet has been evaluated as to how it can serve "the bottom line" which in this case is to offer those who will eat all they can an elite experience.

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