“We Have Armageddon”:
Media Ritual, Moral Panic, and Market Meltdown
Christopher Holmes Smith
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August 29, 2011
Network (1976):
The tragedy of Howard Beale, "Mad Prophet" of the airwaves, and the pursuit of ratings in a time of corporate conglomeration

“We Have Armageddon!”
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A May Day
The May 6 ‘flash crash’ can be viewed as the culmination of years of regulatory shifts toward an era of fast trading.

Source: WSJ Market Data Group
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“The financial infrastructure that the Anglo-Americans have built over the last three centuries helped Britain and America win wars and transform the economic and political landscape of the world. It also fostered development in the English-speaking world that helped it make a deeper cultural and social impact on the world than any culture since the dawn of history.” (144)

“We Have Armageddon!”
“Bit by bit and piece by piece in an ongoing process, the modern framework of securities law, shareholder rights, disclosure requirements, and the regulation of securities markets has been gradually and painfully established. New financial techniques were introduced and found unexpected uses; new abuses prompted new reforms.” (136)

“We Have Armageddon!”
“From these humble beginnings would grow the American system of home finance, a system which has generated substantial wealth for ordinary American families, provided most Americans with the largest and most valuable asset they own, underwritten the development of America’s capital markets as a sophisticated secondary market in mortgage-backed securities took shape, helped scores of millions of Americans move to the suburbs, and helped define the American dream.” (141)
“We Have Armageddon!”
"We Have Armageddon!"
Sovereign debt crisis threatens the Eurozone

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"We Have Armageddon!"
The stock market crash of 1929 exposed fundamental fault-lines in the American Dream.

“We Have Armageddon!”
• “Chicago School” economics

• Rational market theory
  ◦ Modern portfolio theory
  ◦ Efficient market hypothesis
  ◦ Black-Scholes-Merton option pricing model

“We Have Armageddon!”
The representational politics of the “Mogul Aesthetic”

“We Have Armageddon!”
The fistful of dollars as a perennial performative gesture

“We Have Armageddon!”
In science and engineering, black boxes are devices, systems organizations, or objects that are opaque to outsiders, often because their contents are regarded as “technical.” Therefore, their contents can (and sometimes can only) be viewed solely in terms of their input, output and transfer characteristics without any knowledge of their internal workings. The opposite of a black box is a system where the inner components or logic are available for inspection...

“We Have Armageddon!”
“What is it to be powerful?...It is to sit on top of black boxes...The macro actors of social life are micro actors grown large through their capacities to mobilize and command black boxes.”

-- Michel Callon and Bruno Latour, “Unscrewing the Big Leviathan...” (1981)

“We Have Armageddon!”
Finance’s Black Boxes (a sample)

1. Rational Market Theory
   – Option Pricing Model; Efficient Market Hypothesis; Modern Portfolio Theory

2. Derivatives
   – Speculative capital; “money culture”; “culture of trading”; “circulation/circulatory regime”

3. Arbitrage
   – The exploitation of price discrepancies in the global securities market; networked computing power; LTCM & relative value hedge funds

3. Ethnography of accounting practices
   – Enron; mark-to-market accounting

4. The Regulation of Financial Markets
   – SEC; Treasury; Consumer protection.

5. FRB Strategic Communication
   – FOMC; Monetary policy transparency

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“We Have Armageddon!”

Maria Bartiromo, CNBC
The Citizen-Investor:

Financial capitalism and the regulation of the body politic

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A definitive aspect of contemporary experience concerns the propensity for certain “high-profile media events [to] periodically crash through normal news agendas, generate extensive and intensive forms of media coverage, and invariably embed or seek to elicit collective identities and a subjunctive view of how society should or could be.”


“We Have Armageddon!”
Mediatized Ritual #1: Celebratory Media Events

“We Have Armageddon!”
Mediatized Ritual #2: Conflicted Media Events

“We Have Armageddon!”
Perez Hilton
Carrie Prejean

Mediatized Ritual #2: Conflicted Media Events

"We Have Armageddon!"
Mediatized Ritual #3: Media Disasters

“We Have Armageddon!”
Mediatized Ritual #3: Media Disasters

“We Have Armageddon!”
“We Have Armageddon!”
Mediatized Ritual #5: Public Crises

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“We Have Armageddon!”
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Financial Moral Panics” as Mediatized Ritual

Rick Santelli

Jim Cramer

Dylan Ratigan

Jon Stewart
“We Have Armageddon!”
Rick Santelli rant on CNBC “Squawk Box”, February 19, 2009

“We Have Armageddon!”
CNBC’s Jim Cramer (Mad Money) vs. Comedy Central’s Jon Stewart (The Daily Show)
March 12, 2009

“We Have Armageddon!”
MSNBC’s Dylan Ratigan
August 9, 2011

“We Have Armageddon!”