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New Narc City: Sam Vaknin and the Narcissism of Wall Street.

[By Tim Hall](#)

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Sam Vaknin is the world's leading expert on narcissism. He's also a narcissist himself. He was diagnosed with the illness in 1996 while serving a prison term in his native Israel. Before his imprisonment on fraud-related charges, Vaknin was an award-winning writer and an accomplished businessman. He is also well-educated, having earned a doctorate in philosophy from Pacific Western University in California.

With his life in shambles, Vaknin attempted to understand the disorder that had come to define his existence. The result of this painful self-scrutiny and research was *Malignant Self-Love: Narcissism Revisited* (Narcissus Publications), an essential text on the subject of narcissism and a consistent top-seller at the Barnes & Noble website.

It's important to understand what is meant by pathological, or malignant, narcissism. The *Diagnostic and Statistical Manual of Mental Disorders - Fourth Edition (DSM-IV)* defines Narcissistic Personality Disorder (NPD) as "A pervasive pattern of grandiosity (in fantasy or behavior), need for admiration, and lack of empathy."

According to the *DSM-IV*, the disorder begins by early adulthood and is indicated by the subject exhibiting at least five of the following:

1. An exaggerated sense of self-importance
2. Preoccupation with fantasies of unlimited success, power, brilliance, beauty, or ideal love
3. Believes he is "special" and can only be understood by, or should associate with, other special or high-status people (or institutions)
4. Requires excessive admiration
5. Has a sense of entitlement
6. Selfishly takes advantage of others to achieve his own ends
7. Lacks empathy

8. Is often envious of others or believes that others are envious of him
9. Shows arrogant, haughty, patronizing, or contemptuous behaviors or attitudes

It's also important to understand that everybody has some narcissistic traits, and that a certain amount of narcissism is a healthy thing. What's different about NPD is that the symptoms are stable and persistent over time and pervade every aspect of the person's existence. Though estimated to be present in only about one percent of the population, NPD is widespread enough that almost everybody is likely to encounter at least one narcissist in their lives. It is usually an extremely disagreeable and memorable event for the non-narcissistic. For a relatively healthy person, the first response to a narcissist's grandiosity, haughtiness and odd body language is often bemusement. But later, as the narcissist reveals him- or herself to be manipulative, predatory and lacking in empathy, this bemusement turns to disgust until, finally, the healthy individual is forced to cut all ties with the narcissist. This often ends with upsetting results, as narcissists are notoriously spiteful and vicious.).

According to Dr. Vaknin, narcissists are "dangerous to your health." But what if they're in charge of major corporations worth hundreds of billions of dollars? A look at the havoc caused by the management of WorldCom, Enron, Adelphia and Tyco make clear the sort of danger that narcissists pose to the economy and the world at large.

Dr. Vaknin lives in Skopje, Macedonia. Via email, we discussed what may well be the defining malady of our age.

I'm very interested in the concept of corporate narcissism. Many companies are successful without also engaging in criminal behavior. In your opinion, how much of the recent wave of business scandals in the U.S. is attributable to a corporate "culture of narcissism," and how much to a number of very misguided—and possibly narcissistic—individuals?

The "few rotten apples" theory ignores the fact that affairs like Enron and WorldCom were not isolated incidents—nor were they conducted conspiratorially and surreptitiously. What is now conveniently labeled "misconduct" was an open secret. Information—albeit often relegated to footnotes—was available. The charismatic malignant narcissists who headed these corporations were cheered on by investors—small and institutional alike. Their grandiose fantasies were construed as visionary. Their sense of entitlement—never commensurate with their actual achievements—was tolerated forgivingly. Their blatant exploitation of co-workers and stakeholders was part of the ethos of the virile Anglo-Saxon, natural selection, can-do, dare-do version of capitalism. Everyone colluded in this mass psychosis. There are no victims here—only scapegoats.

In the late 1990s, you couldn't swing a dead cat on lower Broadway without hitting a dozen Internet "visionaries," touting companies that then went bankrupt. These individuals seemed to literally come out of nowhere—suddenly everybody was a Genius with a Big Idea. Do you have any thoughts on whether certain business cycles (like the Internet boom) actually create narcissists? Or do they simply attract preexisting narcissists looking for quick and easy wealth?

The latter. Pathological (or malignant) narcissism is the outcome of a confluence of an appropriate genetic predisposition and early childhood abuse by role models, caretakers or

peers. It is ubiquitous, because every human being—regardless of the nature of his society and culture—develops healthy narcissism early in life. Healthy narcissism is rendered pathological by abuse—and abuse, alas, is a universal human behavior. By "abuse" I mean any refusal to acknowledge the emerging boundaries of the individual. Thus, smothering, doting and excessive expectations are as abusive as beating and incest.

Pathological narcissism, though, can be latent and induced to emerge by what I call "collective narcissism." The *way* pathological narcissism manifests and is experienced is dependent on the particulars of societies and cultures. In some cultures, it is encouraged. In others suppressed. In collectivist societies, it may be projected onto the collective; in individualistic societies, it is an individual's trait.

Families, businesses, industries, organizations, ethnic groups, churches and even whole nations can be safely described as "narcissistic" or "pathologically self-absorbed."

The longer the association or affiliation of the members, the more cohesive and conformist the inner dynamics of the group, the more shared are its grandiose fantasies ("the vision thing"), the more persecutory or numerous its enemies, the more misunderstood and exclusionary it feels, the more intensive the physical and emotional experiences of its members—the stronger the bonding myth. The more rigorous the common pathology.

Such an all-pervasive and extensive malaise manifests itself in the behavior of each and every member. It is a defining—though often implicit or underlying—mental structure. It has explanatory and predictive powers. It is recurrent and invariable—a pattern of conduct melded with distorted cognition and stunted emotions. And it is often vehemently denied.

What steps might a corporation take to protect itself from being ruined by this kind of narcissistic contagion?

The first—and most obvious—step is screening. Mental health management is often considered a low organizational priority—frequently with calamitous outcomes. Employees on all levels—especially the upper echelons—should be tested periodically and regularly by professional diagnosticians for personality disorders. Those who test positive should be sacked.

There is no way of containing narcissism. It is contagious—weaker people tend to emulate narcissists, stronger ones tend to adopt narcissistic behaviors in order to fend off the narcissist's unwelcome attentions and overweening demands.

Narcissistic behavior—bullying, stalking, harassment, criminal predilections—should be proscribed and punished severely. Management should be attuned to warning signs such as a persistent and recurrent inability to get along with all coworkers; a domineering sense of entitlement; unrealistic and grandiose fantasies; requiring excessive attention; responding with rage to criticism or disagreement; excessive and destructive envy; exploitativeness; lack of empathy. Pathological narcissism rarely manifests in a first encounter—but is invariably revealed later on.

Would you say the Catholic Church is suffering from a kind of collective narcissism, given its history of protecting child molesters?

No. I would say that it is showing the same sense of self-preservation and mob-like clubbiness that has characterized its history. The doctrine of the infallibility of the Pope, the Church's claim to possess privileged knowledge and unique access to the Creator, its pronounced lack of empathy for the victims of its misconduct, its self-righteous conviction, its belief that it is above human laws, its rigidity and so on—are all narcissistic traits and behavior patterns. But, to my mind, as an organization, it has crossed the line between pathological narcissism and psychopathy long ago. But then, I am a Jew and, therefore, somewhat biased.

In an interview on healthyplace.com, in response to a question about how to reason and negotiate with a narcissist, you said, "That's a tough one. The narcissist is autistic." That interested me because I had just been reading about Asperger's Disorder, which is considered to be a form of high-functioning autism. In some ways, the symptoms are similar to NPD. Can you explain in some more detail about what you meant? Are you aware of any research linking AD with NPD?

People suffering from Asperger's Disorder lack empathy, are sensitive to the point of paranoid ideation, and are rigid with some obsessive-compulsive behaviors—all features of the Narcissistic Personality Disorder. As a result, their social skills are impaired and their social interactions thwarted. The presenting symptoms of both disorders are very similar. It is easy to misinterpret the Asperger's body language as haughtiness, for instance. Still, scholars today regard Asperger as part of a "schizoid spectrum" in common with the Schizoid Personality Disorder rather than the narcissistic one.

On your site, you say that a narcissist can change his behavior, but usually only after his world is in shambles. Further, even if he does change his behavior, he cannot heal. This reminded me of the "bottoming-out" process that many drug addicts and alcoholics must go through before they will seek help. Likewise, 12-step movements assert that no addict is ever "cured." Can the philosophies of AA be successfully applied to the narcissist, or help in understanding narcissism?

The narcissist is addicted to a drug—his "narcissistic supply." He craves and relentlessly and ruthlessly pursues attention. In the absence of positive attention—adulation, admiration, affirmation, applause, fame, or celebrity—the narcissist makes do with the negative kind (notoriety, infamy). The dynamics of the narcissistic disorder, therefore, closely resemble the psychological dimensions of drug addiction, including the "bottoming-out" that you mentioned. I believe that the treatment modalities preferred by AA, Weight Watchers and 12-step programs should prove applicable to the Narcissistic Personality Disorder. Perhaps it is time to establish Narcissists Anonymous.

Is the narcissist unwilling to change, or unable to change?

The narcissist is unwilling to change because pathological narcissism has been an adaptive and efficient reaction to the narcissist's life circumstances. Wilhelm Reich called the amalgam of such defense mechanisms an "armor." It restricts one's freedom of movement, but keeps out hurt and threat. The narcissist overcomes adversity by pretending it isn't there

or by reinterpreting events and circumstances to conform to his grandiose and fantastic internal landscape of perfection, omnipotence and omniscience.

The precarious balance of his chaotic and primitive personality vitally depends on the maintenance and furtherance of his narcissism. All narcissists are dimly aware that something has gone awry early on in their lives. But none of them sees why he should replace an existence of splendor—albeit mostly imaginary—with the drabness of the quotidian.

What is your advice to somebody who might read this and think that they live or work with a narcissist? What's the first thing they should do?

The first and the last thing they should do is disengage. Run, abandon, vanish. Make no excuses. Narcissism is dangerous to your health.

Regarding your own experience with NPD: with such a poor prognosis for sufferers, aren't you at least beating the odds when it comes to NPD? Would you say you are winning the battle, if not the war?

Undoubtedly, I have succeeded to harness the usually destructive power of narcissism and apply it productively for the common benefit of everyone involved. But it is still narcissism. I am still—exclusively—after narcissistic supply. I am as grandiose, as exploitative, as lacking empathy as I ever was. I feel as entitled as I ever did. I fly into rages, idealize and devalue and, in general, exhibit the full spectrum of narcissistic behaviors.

Narcissism is a dynamic. Its outcomes can be either socially acceptable or condemnable—but the underlying corrosive phenomenon is the same. One cannot heal merely by cognitively accepting that one is diseased. The assimilation of such an insight requires an emotional complement, an investment of feelings and humility. I lack these.

I once wrote in *The Malignant Optimism of the Abused*:

I often come across sad examples of the powers of self-delusion that the narcissist provokes in his victims. It is what I call "malignant optimism." People refuse to believe that some questions are unsolvable, some diseases incurable, some disasters inevitable. They see a sign of hope in every fluctuation. They read meaning and patterns into every random occurrence, utterance, or slip. They are deceived by their own pressing need to believe in the ultimate victory of good over evil, health over sickness, order over disorder. Life appears otherwise so meaningless, so unjust and so arbitrary... So, they impose upon it a design, progress, aims, and paths. This is magical thinking."