

Some Considerations on Economic Theory

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Dominant economic theory as it exists in market analysis, demand and supply and equilibrium theory (neo-classical economics) reduces all subjective and impulse or intent of the individual to satisfaction (utility maximizes) relegating other aspects of motivation such as happiness, knowledge, justice, liberty and virtue to virtual irrelevancies within its analysis. There exists no systematic and categorical analysis of the social relations of production – nor the imperative within capitalism for individuals to labour. There is little opportunity within ordinary price theory to determine how much of economic phenomena is concrete and how much is abstract. Current theory reduces analysis to empirical logical deductions rather than hermeneutic understanding of a thing – as it is.

Many of the key conceptualization for Neo-classical economics come from an epistemological reference to nineteenth century physics and algebra. It seems only natural then that current theorization should embrace the quantum leaps in understanding made by the scientific revolutions of this age – particularly in so far as complexity is understood in a context of holographic, optic and link theory (the quantum). The computer and technological age are certainly the starting points for reconceptualising what it is that constitutes the basis to the analysis of the way we live in connection with others within mediated social relations in time.

The complex international interaction of once discreet (national) macro-economic systems - by values that are transferred at the speed of light (optic fibers) across the globe have for instance collapsed some dimension of time. This has ushered in many changes not least among them the need to reconceptualise categorical relation within logical sequencing of cause and effect – as well as the situation and motivations of individuals as they operate within the circuits of capital.

Advances in scientific understanding of neuro-memory-cognition suggests that prior conceptualization of the individual requires more complex and specific interpretation. Advances in the understanding of the power of the human mind and consciousness also anticipate greater theorization of agency within the discipline of economics. In particular the process of perception – in the synthesis of the complex information required for agency – to buy or to sell and both. For example the uniquely human “capacity to observe ones experiences and to categorize them in conceptual form, the gift of recalling past experiences and anticipating new ones without having to be presented with them in concrete situations.” (Luria 1973: 136)

The mind once only fathomed at the level of analogue consciousness - of metaphor and analogy of the sign/signifier of lexical/linguistic systems – is actually more semantically perceptive in the selection of coherence and the unity of truth or effect. This being-in-relation-to-things is far more methodologically complex than the binary modeling of the hypothetico-de/deductive of the pre-modern technological era of the industrial revolution. Yet it occurs in each of us in a flash of recognition as we surmise the price is right and other more deliberative work/spend instances of relations to money and capital.

Technology of the Industrial revolution was purely mechanistic and it developed alongside British Empiricism. The Artificial Intelligence of current technologies have reawakened the importance of, as well as being partly dependent upon, continental hermeneutics – computers and communications technologies – their interactivity and convergence – are increasingly dominating as well as facilitating a new relationship of symbiosis of the human mind – with language as the method of data input – and visual display as optic sensor output. The senses are engaged touch, sight and sound.

“The human mind is qualitatively different in its performance because it can deliberately recall past experiences and organise their traces into new patterns, either as forecasts of the future or as abstract generalisations in the search for meaning. The human mind generates interpretations, and meanings and values. In its development the critical step must have been the invention of language” (Luria 1973: 137)

“Human language is unique in its creativity and flexibility. It provides an abstract representation of objects and relationships that can be manipulated to recall, imagine, foresee and plan....In providing the instrument for symbolic knowledge of the world, language made this knowledge transmittable. No longer did an experience have to be lived in order to be known”

To fathom the multiplicity and nature of subjective and temporal relations within late modern capitalist-centered societies is inexhaustible. Because processes that facilitate both continuity and change and their various natures, within the spectrum of material law of right to which we all live our existence either wholly or partly within, are ever changing.

It is the contention of this thesis that the construction of commensurable value (money/price) based on a notion of equivalence (same/same) is dependent upon

what can only be described as a shared consciousness of objectification. This is necessary for exchange (which requires a communication of consciousness in the sense that exchange is an act of both recognition and volition).

It is proposed that with the globalisation of the logic of capitalism and the extension of the law of value across increasingly integrated yet historically and culturally separated processes, social relations and forms of social reproduction that we (the workers, consumers and citizens) of separate political economic spaces (nations) are coming to experience a confrontation between separately evolved and culturally specific consciousnesses of objectification and hence subjective conscious states. In this process consciousness is altered because the act of exchange, requires the assessment of commensurability and equivalence in the determination of the singular value (abstracted from the concrete materiality).

Consciousness changes because in international (intra-political/cultural/social) exchange it is confronted with itself as other - greater or lesser in its objective claim to value but somehow beckoned to consciousness about the discordance in its understandings of what is necessary for the production of this thing that is to be exchanged. When parties of different organic compositions of capital and concrete labours' meet it is not just the equivalence of abstract labour times that are at issue, rather it is in fact the context of time, culture, tradition of the private social relations of sharing and morally inscribed notions of responsibility that come under investigation/consideration - the scrutiny of right.

A classic example of this is the role human rights potentially and in some instances already have become a lever of the alignment of labours industrial conditions of the newly developing countries.

But if our consciousness changes - in terms of its understanding of the necessary and hence its assessment of equivalence (between product of the self and product of the other) - then so too does value because that is what it is itself an abstraction of, and thus from whence its materiality is derived.

But if values are being effected by processes alien to its localised determinants then cross cultural abstraction of the social conditions necessary for the production of this or that, becomes effected (averaged – similar to transfer mechanism), but how?

Are prices internationally determined at arbitrary levels or rather the consequence of intuitive reason and communication (systems of - mechanisms of consciousness).

This is not to be underestimated. What part do brand names and logos have in the positioning goods within specific markets. Take for example the Nike T-shirt. Made for a dollar in developing countries but sells for \$100 within the old industrialized countries.

Evidence of this discordance between values and prices can be observed at all levels - from the non-commensurability between certain currency swaps, to calls for lower wages in the old industrialised countries, the \$2 shop bargain stores, and as already mentioned the use of human rights as a lever of the validation of value created within divergent social relations (pay structures) of production. Evidence can also be found in a myriad of other adjustments of the mind and material experience of people the world over. Europe's move towards the single currency and all the practical impediments to it, Australia's conceptual shift in wage determining principles from the family breadwinner conceptualization of a fair wage to productivity criteria, to the social engineering/eugenics strategies of

Asian countries to prescribe the size of the family, and in particular the current obsession the world over for export orientated industry and development strategies.

“Subjective conscious mind is an analogue of what is called the real world. It is built up with a vocabulary or lexical field whose terms are all metaphors or analogues of behavior in the physical world. Its reality is of the same order as mathematics. It allows us to shortcut behavioral processes and arrive at more adequate decisions. Like mathematics, it is an operator rather than a thing or a repository. And it is intimately bound up with volition and decision.”(Jaynes, Julian “The origin of consciousness in the breakdown of the bicameral mind”)

Understanding is about finding a metaphor for that thing - a metaphor of the familiar / familiarity equals understanding. Jaynes demonstrates that:

“consciousness is the work of the lexical metaphor. It is spun out of the concrete metaphiers of expression and their paraphiers, projecting paraphrands that exist only in the functional sense. Moreover it goes on generating itself , each new paraphrand capable of being a metephrand on its own, resulting in new metaphiers with their paraphiers, and so on. Of course this process is not and cannot be as haphazard as I am making it sound. The world is organised, highly organised, and the concrete metaphiers that are generating consciousness thus generate consciousness in an organised way. Hence the similarity of consciousness and the physical -behavioral world we are conscious of. And hence the structure of that world is echoed - though with certain differences - in the structure of consciousness.” (Jaynes 58)

The most influential factor that has led to this confrontation between values has been the development and convergence of an integrated financial system worldwide (perfect information and perfect mobility of finance capital) - heralded in quite unexpectedly^[1] by the development and increasing convergence between computer and communications technologies.

The consequence of financial integration is this – the normal rate of profit is assessed globally not regionally such that each economic space becomes disciplined by a global rate of profit ... in two ways - interest rates and at the level of the increasingly discretionary nature of investment decisions.

Additionally the development of transportation technologies – as well as the microtisation of industrial technology have allowed a locational discretion to industrial capital that has allowed it to seek out cheaper, less unionised labour - because it can just pack up and go - to enhance valorisation capacity or secure acquiescence in real wage reductions in the older industrialised countries via the ever present threat that a company may if it is not experiencing comparable valorisation of variable capital may go offshore.

Prior to this century capitalism lived alongside other logics of production, distribution and exchange. In its initial evolution it developed out of the contradictions of Western European Feudalism (or more specifically British Feudalism) that had for some time existed in tandem with Mercantilism, Imperialism and Slavery. It is here in its initial evolution that we find its first theorisation, assessment and indeed the dominant concerns that have followed its growth and disciplined its logic. One of these has been the concern for justice. C B Macpherson is perhaps the most considered adjudicator of this fact. (see The

Rise and Fall of Economic Justice in the self titled anthology of essays on this broad theme) essentially he argues that under Feudalism, despite the explicit inequalities in rights of appropriation over the product between master and servant there was an implicit and indeed necessary requirement for mutual responsibility between the classes. But with the industrialisation and freedom of contract, mutual responsibility disappeared and hence the state evolved in response to the absence of a guarantee for justice. but with the evolution of the state there also by its side developed common law which replaced the old system of social contract which was regulated by Divine Law. This in part was also the consequence of the need of the new system for Finance, Usury being against Divine Law and punishable by excommunication[2].

[1] The technological tradjectory initiated by the space race that was part of the politico-military expenditure of the cold war.

[2] see Tawney, Religion and the Rise of Capitalism