

INTRODUCTION: ENTRER VITE ET FERME LA PORTE.

Written by Verity Carney

The year is 1998 and the economic unknown is the question of value. Value is a substance that poses questions of both materiality as

well as epiphenomenality. The consideration of the nature of value transpires in the processes of the formation of equivalence, commensurability and materiality. It simultaneously occupies the field of the known and the quantifiable at the same time as it exists within a constantly changing state of formation as a process of consciousness bound up with an assessment of equivalence in exchange.

Two years ago when I began framing the field of my inquiries around the concept and construction of value within capitalism there existed little concern within the public imagination of its' anti-material form. My supervisor was agreeable to the questions I posed but seemed concerned that there was little within the wider purview of economic occurrence that warranted the explicit investigation that I sought to wage. But as the Millennium drew near, Europe's practical impediments to the realisation of the single currency dream loomed large, and the Asian currency crisis unfolded such that there began to appear an almost theatrical playing out within global economic coherence a real context into which the question of value appeared as the metaphysical reality into which analysis has become paramount and requisite. As the world shudders at the realisation of the tenuous materiality of that which it requires the certainty of, I exalt in the deliverance of a context into which the phenomenal form of value becomes explicit and its true nature can without speculative defacement be critically evaluated and made known.

So what is the context of this getting of wisdom - what has changed that places the question of value back on the lips of economic discourse. Obviously it is tied up with the development most often but so loosely referred to as globalisation. It is true to say that economic processes have always existed within an international context - there has always been world trade, Imperialism, comparative advantage, regional specialisation and intra regional competition. But where does the past end and the

current era begin, and from what point do we demarcate out the conceptual basis to the where too from here.

This thesis proposes that it is in the ontological basis to value and tensions that exist therein that are the source of all economic discord/change in the late 1990s. How these contradictions in value are played out will determine the future of all economic activity and reality. And globalisation takes on a new significance in the current era, not simply because we witness an increased movement of capital in all its forms across the globe but because this increase has unified in a singularity the materiality of value - integrating through linear time otherwise socio-political diffractions of space - imploding the essential contradiction of value - its origin (valorisation) in social relations, its motion as capital, and realisation as equivalence within the disciplining rationality of the logic of accumulation.

The question of value has been the perennial concern of economic theory since the emergence of capitalism (and before - since Aristotle wrote on trade and fair price) - it has constituted the essence of theoretical discord and the basis to a division between analytical schools - until the stability born of Bretton Woods within the structuring of GATT in the post war era relegated it to the marginal inspections of a marginal analysis. For it was only under this fixed system that the conditions for the law of value to operate unhindered by concerns of time/space and changes in organic compositions of social ontology (relations) were, for a significant period of development, secured by decree.

But the question concerning value has been reawakened by this current era of globalisation which has been ushered in by a multitude of changed circumstance. Not least amongst these has been the descended state of technological science which has marked this period - since the end of the gold standard in 1971 - as distinctly different an epoch in the construction of value and capitalist development - requiring a different role for state management and sanction of the law of value.

To say that this is a different epoch is not to claim that the logic of accumulation is different - accumulation is and always has been a logic born of and requisite of expansion. And this is precisely the logic which has structured circuits of capital and accumulation as well as the operation of a law of value across the globe since the dawn of capitalism.

However the distinctive feature of this current era is that this expansion has moved into realms in which the history and culture of social relations transcend themselves in origin and are imposed upon by relations external to their local determinants. Increasingly social relations of production and exchange are being leveraged by conceptual arguments and the use of analogous difference in social necessity.

Descending on locally based organic social relations are forces of change that arise from imperatives insisting on difference in consciousnesses of objectification and materiality. These external realities are essentially refractions not reflections of value relations as they exist in the realm of the known— requiring differences in the understanding of the necessary that do not begin nor end in the local organic social compositions of capital.

This work seeks to describe the phenomenological process of objectification from the material world and the semantic perception of congruence in the process by which we come to understand the necessary and hence form equivalence in value (social) relations. Specifically to understand the hermeneutics of mind and being within historically distinct and locally (culturally) situated material relations of production and exchange. This is important in order to understand by what mechanism of mind we come at the recognition of quantitative equivalence and commensurability and hence to understand value in terms of the forces of change.

We treat value simply at its face value - that is, in its representational form of money/price - automatically recognising necessary equivalence in exchange. We do it all day every day depending upon the extent to which our lives are commodity dependant. It is not until provoked by incongruence – that is, a perception of non-

equivalence in the form of the perceived bargain or rip-off - that we consciously reason out our understanding of the value in terms of the necessary - of price – of the price as right. The question is by what process of deduction (reason) and what origin of truth do we measure this recognition (the congruence of equivalence) against?

I begin this search when it would seem, for theory only, that the ideological crusade of capitalism as cloaked in the garb of democratic rhetoric has been delivered through the deliverance of the market crusade. There has been a global embrace of capitalism (seemingly victorious in the cold war competition between organising logics) as the “right” system for the organisation of technical and material development.

It is of little coincidence that the path of evangelical capitalist “democracy” has been a historical parallel of sorts akin to the Napoleonic wars - in all its ironies and with the same grandeur, blind faith and brutality. It’s domino spread has carved a path for the universalisation of the market (commodity market relations, the wage labour contract and now most profoundly the discipline of finance capital in all its levels and its complexity). Yet there has been a profound failure to buttress the logic with the law and institutions necessary to regulate the logic of justice in its processes necessary for the rationality of its outcomes.

But economic processes can not be regulated in the abstract. These processes are necessarily situated in a social ontology of power, competing interests and within complex cultural and political histories - not to mention existent material realities. Yet abstract principles of ‘right’ are used to adjudicate change and transition. Little effort is often made to subject these principles to the rigour of conceptual determination. Often terms of change is simply cloaked as so called “reform”. Thus it is increasingly evident that the economic can not be understood without an appreciation of the political. Indeed the experience of the grand master plan of European union, and the practical impediments to the implementation of a single currency have demonstrated a fundamental reality to global observers that economic unity can not be achieved without political unity. And political unity is something that transpires only at the level of the national and/or federated state. In Europe this has come at a cost of the disenfranchisement of the constituents (the interests of who are increasingly and

conveniently framed as consumers rather than citizen/workers) the last alienation of economic man.

But as the logic of accumulation - is increasingly extended in its circuits (commodity, financial and industrial) beyond and between differentiated political cultural spaces within which valorisation and realisation take place - what we begin to observe is the explicit becoming (confronting actualisations) of the essential contradictions of value. Contradictions which increasingly require the mediation of state instrumentalities and the acquiescence of localised labour in processes which do not begin nor end within their political economic and lived experience.

Organised labour and the state are increasingly required to exert control over something which they increasingly are unable to effect - valorisation and the temporal management of value. This circumstance has unfolded from a fundamental change in the relation between space and time caused by the thousand plateaus of globalisation and increasing pressure of anterior influences. It would seem that money has assumed the extreme possibility suggested by Marx in Paris notebooks of 1844 - assuming an alien and terrifying power over its essential form and function.

The requirement of convertibility, commensurability and equivalence in value relations has resulted in a need for the management of phenomenological indications of the temporal dimensions of spatially encoded (metamorphosed) value. Increasingly image and spectacle of the real within the geopolitical space of a local economy is being adjudicated by the commentary of news media. This Adjudication increasingly determines the validity of the multiplicity of dependant and determinant relativities to 'other' socio-political organic complexes.

A question worth pondering is whether or not the end of Bretton woods and the terms of its' original articles of agreement (especially outlining the roles and responsibilities of the GATT, IMF and World Bank) make finance capital dominate over all other forms of capital, and thereby able to leverage political power?

Ostensibly this thesis it is about economics - written within the discipline - concerned with its concerns - attentive to its reason and indicators (its abstractions, indicators and objectifier's). In part it undertakes a quest for the true understanding of value along the traditionally worn paths of theorists consistent with the history of economic thought. In a fundamental way however its' point of entry into the production of economic knowledge cuts a different path. In its analysis it is philosophical, scientific and attentive to the 'now'- enquiring into the nature of mind and being - through sense (the logic of sensorial perception, and its place in cognition (thought) and instruction (action)).

The aim is to describe the phenomenological processes of objectification from the material world and the Semantic Perception of congruence in the process by which we come to understand the necessary (the truth) and hence form equivalence in value relations. This process is understood as a process of the hermeneutics of mind - analogue consciousness and metaphors of mind – to locate the origin of consciousness in the recognition of the known and a measure of the same/same or not.

The economists of the neo-classical era adopted a scientific empiricism and relied on analogous logics of 19th century physics as the basis to conceptual modelling and the generation of abstract truths. In the same vein it would seem that economists of today would benefit in their analysis from conceptual frameworks taken from the late modern advances of science in the understanding of the material and anti-material worlds of the quantum and the cellular. For it is not to be underestimated that theorists and other conceptual adjudicators have always been conceptually dependant upon metaphor and analogy as taken from the known (ontology) as it is understood in the sciences of forces and matter. In addition it is important to not underestimate the ascendancy of the image and the virtual realities of the digital age. How these technologies of representation operate as the interactive basis to semantic perception of the real is very significant for contemporary considerations.

Images articulate just as language does, but in a sense they possess a greater virtual reality than words - numbers/ images/ words – intermeshed in news media and advertising impact on culture and the understanding of the necessary and the known.

The significance of the image is this: if market processes are underpinned by participants understanding of the known the real or the necessary, and; if the processes of production are such that they occur increasingly beyond analogous lived experience in significantly differentiated conditions of the mix between - wages, machinery, labour power and scales of production and organic compositions of capital - then how do changed conditions transpire in new understandings that instruct the law of value and the formation of equivalence in exchange.

The question of the real however must be posed and scrutinised – not only regarding the substance of value – but the integrity of the image^[1]. Value theory in its construction within dialectical logics allows us to consider the relationship between the implicit and the explicit - the internal dynamic of essence/appearance that make-up what is accepted as value and the real.

The production of knowledge and the understanding of value and the real has been over-determined by the conceptual space in which the terms of reference to the actual have historically been framed. To a significant extent this was, in the post war era, largely constrained by the political economic machinations of cold war ideological oppositions and associated political manipulations and the associated games of truth that transpired between systems.

The technological advances and discoveries of the current era of digitalisation and computerisation along with the rise of the image in addition to the leaps in the imagination caused by an understanding of the quantum and link theory has potentially revolutionised the collective and conceptual imaginary of the priests of knowledge (academe). .

‘Technologies of information and vision have played a fundamental role in the phenomenal development of virtual systems [this is] important in the emergence of virtuality on the global scale is the force of capitalism whose basic dynamic is also dependant on the incessant processes of virtualisation.’ (Yoshimoto 1996:112)

It may be possible to suggest then that technologies of representation as well as science may have transformative effects on social relations, just as they materially transform the physical means of production.

Whilst the current era of globalisation is playing out a competition between capitals in spatial dimensions in time – resulting in a confrontation and collapsing of geo-political space and corresponding alterations in our understandings of the necessary of value and the real. This work aims to extend the analytical imagination of those that conceptualise truth of the real at the same time seeks to affirm the organicness of our existence in being and in organisational systems - physically, socially and culturally.

In application this analysis seeks to suggest more effective and responsible roles for instrumentalities and apparatus’s of administration and governance - specifically the adjudication, management and sanction of the law of value (see Palloix). Importing into economic consideration certain known facts of mind, cognition and consciousness that are of extreme pertinence to any understanding of economic reality and processes in this the multi-medium temporarily alert late modern capitalist society. To this end it is essential that theorisation engages in observation of contemporary economic phenomena and its accompanying political dialogues, debates and wrestles.

In this context it is important to assert the epistemological esteem of fact and the necessity of judgement as the scrutiny of right – distinguishing between the indicative and the imperative – and in particular to valorise the importance of ideals as the ‘intimation of perfection’ from which all enquiry and design must orbit. It is necessary as part of this gravitational orbit (force) of thought that economic phenomena must

be scrutinised and distinguished in terms of the difference as well as the essential relationship between the concrete and the abstract.

Most importantly this work seeks to fathom the multiplicity and nature of subjective and temporal relations within late modern capitalist societies - increasingly integrated by technologies of the mind and technologies of the social. Thereby understanding 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, partly or for all intensive purposes within. In particular this thesis seeks to answer questions concerning value.

It is the contention of this thesis that the construction of commensurable value (money/price) based on a notion of equivalence (same/same) is dependant upon what can only be described as a shared consciousness of objectification. This is necessary for exchange (which requires a communication of consciousness) in mutual recognition of both an analogue consciousness (language) or metaphor of mind (image) - in as much as exchange is necessarily an act of volition^[2].

In its aim this thesis seeks to propose that with the globalisation of the logic of capitalist accumulation and the extension of the law of value across increasingly integrated yet historically and culturally separate processes, that we (the workers, consumers and citizens) of separate political economic spaces 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 a singular value. Value in exchange is singular because the abstraction of price requires a determination of a value that is a mutually agreed datum that is assessed as concrete in its materiality – only to be translated it is objectified representational form as money.

But the act of exchange is necessarily referenced to an understanding (perception) of the existing forces of production and the socially necessary relations that exist therein. Thus the social relations in its organic compositions of capital that at the same time reflect the social systems of reproduction and prevailing technological conditions necessary for productive accumulation are thus validated in exchange as real.

Consciousness changes because in international (intra-political/cultural/social) production and exchange (in the separation of creation and realisation) 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 also the fact of 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. The nature of the act of consciousness (mutual recognition) is in the delineation between similarity and difference - congruence or otherwise between the sign (face) and the signifier (form) of value (in its representative form of money).

But if 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 it is seen that its' cross conscious and hence cross cultural abstractions become averaged (transfer mechanism).

The question is then if this transfer is between such different organic compositions of the socially necessary, is the averaging then arbitrary or is it grounded in a relativism that is logical and thus fair. For it not to be arbitrary we must then consider and have an appreciation of how history (time) and the understanding of the real and processes

of the valid representations of the actual, as well as reason and systems of communication (mechanisms of shared consciousness) through language / metaphor / image, are grounded in material truth and thus reflect what is value and real.

Evidence of the potential discordance of the actual and perceived technologically and socially necessary can be observed at all levels - specifically from the pressure for reduction of wages in old industrialised countries via forces external to its own processes of social reproduction - to the non-commensurability between certain currency swaps, the \$2 shop bargain buzz sweeping the retail sector, as well as the use of human rights as a lever of the validation of value creating processes, not to mention Europe's desire for a single currency and all the practical impediments to its possible implementation.

The adjustments of mind and material experience of people the world over that has become requisite as the unfortunate global integration of financial capital and the extension of commercial capitals' reach into internationally / geographically diversified retail sectors has been facilitated by the growing convergence and transnationalisation of processes of accumulation across the globe.

Time and space began to be collapsed (imploded) by the effect that computer and communications technology had on the integration of the once regionally distant and separate geo-political economic spaces and understandings of the known datum of the organic composition of the socially necessary.

What drew me initially to this consideration of value as dependant upon a consciousness of objectification was a desire to comment on or critically understand the conceptual shift in wage determining principles that occurred in Australia from an explicit sociological abstraction (hinged on the conceptualisation of the family as a male breadwinner system) to productivity criteria based on contingent enterprise bargaining that to a significant extent was borne of the requirement for the disassociation of the nexus between inflation and wage growth. This act of policy was a rejection (abandonment) of a commitment to the adjustment / regulation of the

nominal to the real in terms of the requirements of social reproduction consistent with cultural preservation and development around the family. In part this was evidence of a general trend in the shift in the concern of the state from the traditional demand managements concern for consumption capacity and associated Keynesian strategies. The shift redirected concern to the interest of expansionary global capitals' pressure for the management of the valorisation capacity of variable capital in the face of the inevitable trend towards the falling rate of profit.

The increasing requirement to secure the integrity of value produced over time and space (against inflation, and unexpected cross currency devaluation) is observable in the apparent emasculation of the capacity of states to use traditional instruments of macro-monetary-management in any other fashion than a benign way. Again this is evidence of the sensitivity of the phenomenological consequences of money market reactions to a checklist of indicators selected by economic commentators and expounded by market dealers. The interests of the money and derivatives markets although diverse and often contrary, sustain a consistency at the level of the unitary interest of all that participate in the logic, yet increasingly over the last few years have sustained an artifice of the real and are increasingly the subject of veiled distortion and manipulation – a la speculation.

This work undertakes an almost psychoanalytic and genealogical approach to an understanding of the nature of change. It inspects the spectre of economic processes that are involved in the construction of rationality and justice - necessary for the construction and allocation of value within the system of capitalism which orders public relations of exchange (including labour power) across the globe. The main thrust of this thesis is twofold.

Firstly the concern is of the construction of value and secondly, although this is an essential element of the first, it involves a consideration of consciousness - ordinarily conceived of as a subjective presence - but which this thesis seeks to make un-refutable - occupies an almost phenomenologically based but semantically perceived collective consciousness of objectification within a society and the civilization to which that society is in part an externalisation of.

I intend in this thesis to undertake a sort of mapping of the genealogy (genealogy as memory and promise) of the concept of value within capitalism. A genealogy because it is in this way that a simple historical tale is itself the history of the judgement of the genus use and rejection of acts, concepts and notions of right. Capitalism in its origin was not imposed, it evolved as old ways proved no longer functional and new kind of expedient - but in the transition there was much that itself was required to change that changed circumstances and that changed conditions was itself necessarily constructive of new forces for change.

To understand capitalism, its processes, and its logic - to fathom what it is that constitutes the nature of its transition, evolution and imposition (social, cultural and technological) - within any society – understanding must be hinged on an appreciation and respect for the way its people choose to live their lives.

The logic of accumulation is necessarily bound to accountability to these essences and dimensions. It requires a conceptual appreciation – almost a holograph of mind that constructs an understanding of the real - of quantifiable and commensurable value.

Indeed the history of economic thought has itself been in a state of obsession, both in attempts to make some claim to truth of the determinants of value, as well as in the stringency of attempts to objectify beyond the doubt of algorithmic (digital) logic, the truth of the truths it claims.

For explanation of this point simply consider the neo-classical market analysis use of econometrics as a methodology of quantification and its associated theories of price determination. This involves an explicit episteme that tries to make claims to the scrutiny of right through feigning the rigour and logical correctness of algebra as a methodological appropriation of logical proof.

On why a genealogy and not a history: because a genealogy of the construction of value demonstrates its necessary state of reification and the role of myth. In assumed collective understanding, myth denotes propagation of thought whether the actual, the historical (agreed interpretation) or the fable. In order to ascertain how the material determinants and the form the representation of value (money) and simple implicit contracts of exchange (price) serve to instruct a change in collective understanding of the real it is necessary to appreciate that:

‘the origin of the emergence of a thing and its ultimate usefulness, its practical application and incorporation into a system of ends, are *Toto Coelo* separate; that anything in existence, having somehow come about, is continually interpreted anew, requisitioned anew, transformed and redirected to a new purpose by a power superior to it; that everything that occurs in the organic world consists of overpowering, dominating, and in their turn, overpowering and dominating consist of re-interpretation, adjustment, in the process of which their former meaning and purpose must necessarily be obscured or completely obliterated.’ (Nietzsche 1994: 55)

Endnotes cast adrift

1

Divorcing man as a legal subject and man as political citizen from the economic man of civil society. Recent delineation of economic man between worker and consumer are a consequence of a political arbitrage of the epiphenomenal. Such slippages take place from law to news media narrative/debate/strategy. It is important to be aware of the selection of abstractions for the corresponding effects on conceptual (analogy) dialectics and most importantly legal praxis

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Set up the issue of value as simultaneously one of consciousness and materiality - consciousness as an

a) Subjective process

b) Collective validity.

3

Read Mitsuhiro Yoshimoto (1996) "Real Virtuality" in Rob Wilson & Wimal Dissanayake (eds.) Global/Local: Production and the Transnational Imaginary, Duke University Press, London 1996

4

That my "a" equals your "b" – invokes the question - what is the property shared by a and b on which such a judgement could be made. Marx says labour time – neo-classicism says its the outcome of a battle between two opposite forces the pleasure principle or desire to maximise ones satisfaction (utility) and greed (profit maximisation). The relationship between the two are constructed as inverse - thus intersecting at equilibrium - this is their notion of equivalence (derived from a mercantilist mind) - freedom of contract, consent in exchange and justice in profit - justified as such because it was the question of justice in profit that capitalism as an organising system of production and appropriation was asked to justify. Had not the Divine Law against usury been broken by a logic of freedom of contract and a logic of growth, as well as an equation of wealth = strength = sovereignty (the perennial concern of a warring past) then custom and tradition may not have been so decisively cut and the rights to profit had their basis laid. Interest was justified upon an analogous extension as a (factor) rent (R Tawney) as then was profit - although the latter had to have been a prior condition of the former.

5

The scientifically proven neurology of the origin of the concept and the nature of the process of cognition - synapse connections - re-cognition, re-member, and perception.

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[1] especially in this age of photo-shop manipulation of the digital representation of the supposed actual

[2] It is worth noting in this context that the origin and development of written language in the ancient world often accompanied the development of trade relations where inventories of goods exchanged were recorded for account.