

Andreas Kamstrup

Cand.merc.fil thesis  
Supervisor: Steen Nepper Larsen  
Værdibegrebet i valoriseringens tidsalder  
characters: 181.091

# The concept of *value* in the age of valorization



## Going Out of Business

On sale: whatever the Jews have not sold yet, what neither nobility nor crime has ever tasted, what hellish love and the infernal probity of the mob have overlooked, what neither time nor science can afford to know:

Voices gathered again; the brotherly reveille of choral and orchestral energies and their immediate usefulness; the liberating, unique, sensual Now!

On sale: priceless bodies, transcending race and the world and sex and descent! Treasures leaping out of the earth! Uncontrollable wholesale of diamonds!

On sale: anarchy for the mob; irrepressible satisfaction for superior amateurs; unspeakable death for the faithful and the lovers!

On sale: colonies and emigrations, sporting events, fairylands and flawless comforts, and all the noise and motion and future they entail!

On sale: the use of numbers and the amazing somersaults of harmony. Unsuspected vocabularies and revelations, immediate possessions.

Crazy infinite transport to invisible splendors and wild delights, occult frenzy for every corruption, and panic in the streets.

On sale: the bodies, the voices, the immense, unquestionable opulence, things never to be sold. The stores are not going out of business, not quite yet! The salesmen still have time!

Arthur Rimbaud, 1886

# Table of Contents

Table of Contents.....	3
<b>0) Executive summary .....</b>	<b>4</b>
<b>1) Introduction: mapping the area of interest .....</b>	<b>5</b>
<b>2) Preliminary part one: foundation through vocabulary .....</b>	<b>8</b>
<b>3) Purpose: the so-called statement of a problem.....</b>	<b>11</b>
<b>4) Preliminary part two: method &amp; methodology.....</b>	<b>13</b>
Method.....	13
Methodology.....	14
<b>5) Illuminating value through history of philosophy &amp; economy.....</b>	<b>19</b>
Aristotle: Everything valued in Polis .....	20
Intermezzo: scholasticism, mercantilism & physiocracy.....	24
Smith & Ricardo: value through labour .....	25
Marx: living labour and general Intellect .....	28
Intermezzo: the marginal utility and the mathematical revolution.....	33
Nietzsche: reevaluate everything .....	34
Schumpeter: entrepreneurs & social value.....	37
Deleuze: grasping surplus value .....	40
A diagrammatic summing up.....	45
<b>6) Organizing a concept of value.....</b>	<b>46</b>
Value theory in the history of economics: intrinsic or subjective.....	46
§1 Value & price.....	49
<i>Exchange-value no more.....</i>	<i>49</i>
<i>The transformation problem.....</i>	<i>50</i>
§2 Source of value.....	53
<i>Externalities.....</i>	<i>55</i>
§3 A life-world of value .....	58
<i>Production, consumption and creation of worlds.....</i>	<i>59</i>
<i>Individuation &amp; value .....</i>	<i>60</i>
<i>Virtues &amp; Modes of production.....</i>	<i>62</i>
<b>7) Final remarks.....</b>	<b>64</b>
Perspectives on future examinations.....	68
<b>8) List of references.....</b>	<b>69</b>

## 0) Executive summary

This thesis argues that the concept of value is bleeding. It has lost in specific meaning and instead many different regimes fight to manifest themselves. Even though it is impossible to single out one particular reason for this bloodletting, this thesis will argue that the most precise and adequate language we have for understanding the concept of value – that of Marxian theory – has not been modified according to the change in the world around it.

Placing itself between two philosophical traditions this thesis first of all argues that the practice and the obligation of philosophy is to be *critical*. Secondly and not less important philosophy is an *affirmative possibility* to bracket mundane objections and the boundaries of the world. In effect this shows in the ambition of the thesis – developing a language for grasping the concept of value.

Through an intensive and necessary reading of masters of the past this thesis pinpoint three major problems of modern economic namely 1) the tension between value and price, 2) an unresolved and lacking understanding of the source of value in economic theory and 3) a complicated relationship between value (economic sphere) and values (*life-world* sphere), which most flagrantly shows in everyday language.

Developing a language cannot but be political. Through a discussion this thesis argues that price and value must be disentangled, that an adequate understanding of the source of value always must relate itself to subjectivity and that values are intimately connected to the concept of value. This thesis argues that a merging of the two aforementioned spheres is needed if we are to fully grasp the concept of value. Furthermore core building blocks for a political language of reclaiming is suggested.

Having relied on diverse value definitions given by master thinkers, this thesis finally gives its own definition: *value is when there is coherence between your values (as virtues) and the object of your immediate attention.*

As a last gesture we point toward areas of future examinations.

# 1) Introduction: mapping the area of interest

The concept of value is bleeding! The *old* way of understanding how products gain value is not only old but *archaic* and the reason is two-fold. *Products* are no longer well defined and *value* is no longer well defined. This thesis will focus on the latter even though some remarks regarding *products* in contemporary society can and shall not be avoided.

Orthodox economic value theories have met serious challenges. This thesis will examine to what extent these challenges are impassable and to what extent they can be surmounted. It seems that these challenges can be divided into three major categories.

- (1) **Rhetorical erosions**: Everything is caught in the lingo of value. From conservative ideology of remembering yesterdays values to value-based management. From value-commissions<sup>1</sup> to value-adding activities and from evaluation-society to the odd concept of *high value products*.<sup>2</sup>
- (2) The **source** of value is at best blurred: Once we believed that it was the amount of labour and/or time invested in a product that defined its value. This idea is seriously contested today where value apparently emerge almost out of the blue.<sup>3</sup> Again and again we ask ourselves: is value given and intrinsic absolute or always invested and subjective.
- (3) The **invisible nature** of value is confusing the quantifying science of economics. Value is not physical evident or an observable property of an object. Neither is it static or measurable in any ordinary sense of the word. But is definitely a *widely* accepted and used concept. The dominant strategy for evaluating value is through *valorization* but is this acceptable or even reasonable?

Combining these three points with a world of business where *competition* and *performativity* are the conditions and success not only demands skills and hard work, but also the capacity to document and verify, we get a glimpse of task at hand – restoring value as a meaningful word within the scope of economics in a society apparently always-already undertaking an process of valorization.

Let us on an experimental basis examine value. It is one of the most contested, elusive and used concepts in both economics and philosophy. In philosophy the major questions concern the ontology and epistemology: what is value and how can we understand value? In economics it seems the more fascinating question is related to production – how value is created. In philosophy value relates to *good life*, *ethics* and *morals*, whereas the economic terms are *price*, *profit* and *wealth*. Generally speaking value can be assigned, invested or even intrinsic given. Both objects, subjects, processes and relations can produce value but it seems that only human subjectivity can consume value. Value can be instrumental or relational. It seems fair to summarize that the notion of value has no unequivocal and clear-cut linguistic manifestation. Let us

attempt an encyclopaedic consultation. Value is an

Indication of how something is evaluated (qualitatively or quantitatively) and also an indication of what should be maintained or attained. Value and values are words that in everyday language and in a scientific contexts are used in ways that at first hand does not seem to have anything in common.

*Værdi* [Value], Den Store Danske Encyklopædi [my translation, AK]<sup>4</sup>

What we learn here is that value is both about evaluating *something* and about what is worth achieving and/or holding on to. This is very peculiar double-sidedness. It appears that *value* is both a hierarchal instrument of evaluation (apples are more tasty than oranges) and a general normative statement of worth (apples are delicious).<sup>5</sup> Furthermore we see that there is a difference between the word in singular and plural. And lastly we are told that there is great discrepancy depending on the context in which we use the word. A brief inquiry into the database of the Encyclopaedia Britannica<sup>6</sup> yields more that 50 articles, spanning categories from mathematics and logic over insurance and general economics to photography and Japanese religion!

Being a student of philosophy in the zone of economy I shall confine myself to the economic usage of the word. Broadly speaking this thesis shall focus on how something is deemed valuable and how this value is created, through an extensive analysis of the economic vocabulary concerning value. When different concepts of value have blurred the entire field philosophical tools must be applied to *tighten the screws*. Philosophical tools like *conceptual clarifications*, *semantic examinations* and *linguistic coherence*. But we shall allow for digressions – not only is this unavoidable but it can also be quite productive if mastered and sufficiently moderated.

Let us examine the two megabranches of economics to see what they show us about value. Microeconomics considers the question of *allocation* and *distribution* and macroeconomics the questions of *stability* and *growth*.<sup>7</sup> But how do they relate to value?

- We cannot discuss *what and how to produce* (allocation of goods), without a preceding both implicit and explicit valorization of these goods and a at least somewhat general societal unity concerning what and what-not to accept. The *distribution* of goods is closely related to the value of goods. For instance through the concept of Giffen goods,<sup>8</sup> Veblen goods<sup>9</sup> or the Band-Wagon effect.<sup>10</sup>
- We cannot pose *questions regarding growth*, if there has been no *agreement* on what to strive towards. The Gross Domestic Product (GDP) is such an agreement. Being an index of the value of produced goods and services, it is used to measure and compare the wealth of countries. Financial *stability* is indeed a claim born of the concept of value: in order to have a consistent concept of value

over time, economy must have a stable and relatively constant frame.

Both micro- and macroeconomics relate – expressively, implicitly, impressively, explicitly – to the concept of value. Indeed it seems that the concept of value is the grey ghost lurking in the hallways of Castle Economics.

How we understand value has changed over time. From ancient Greek Polis society to (post)modern hyper-real network islands. From Marx over Schumpeter and back to Marx. From neo-Classics to Italian socialist and French philosophers. It seems viable to perform a thematic conceptual excavation, where key thinkers or movements are scrutinized. In fact it seems as the only fertile way out the morass the value concept has somehow ended up in. The ambition is to insist on a connectedness between the different realms of value. But the ambition is also to perform a conceptual clarification insisting on linguistic precision – to offer a vocabulary not over-influenced and disrupted by fast journalism, smart business-lingo or demagogic politics.

Revisiting the metaphor from the opening the concept of value is indeed bleeding. This thesis will examine whether this bleeding is the result of a fatal shot to the heart or if it can be seen as a hurtful yet cleansing blood-letting.

Before we visit the actual dig site we turn to concepts in the vicinity of value. Concepts that will not be the main focus area of this thesis, but concepts which we need to have an affinity towards, in order to fulfil our primary task: a better understanding of value and its implications.

## 2) Preliminary part one: foundation through vocabulary

This author does not believe that it is possible to *define the foundation* of this thesis. Rather we shall seek to pinpoint and elaborate certain important concepts that somehow will be touched upon when the ambition is to understand value. Important concepts that are intimately linked to value and are necessary to propel oneself forward in the hermeneutical circle of *becoming enlightened*.

Readers and critics will (and should) always ask: *Why are these concepts more important than other concepts*. To legitimize why something is chosen at the expense of something else the answer could be that I am convinced that these congenial concepts are of relatively high importance due to my background knowledge generated by readings (papers, articles, e-sites and books), talks with like-minded (students, friends and professors) and formal education. Another answer could be: I cannot be sure but I reserve the right to bring exactly *society* and *capitalism* into play and then in hindsight be accountable for their relevance. Leaving this meta-discussion this thesis now unfolds a tentative understanding of *society* and *capitalism*.

### Society | Knowledge

*If we want to understand value, value creation and valorization in contemporary society, we must understand society.* This of course seems both reasonable, vulgarly simplistic and painstakingly complicated. The very first claim must be that society exists before the individual. Society is an ontological phenomenon that does not require individuals to create or constitute it. Of course individuals can influence society – it is not a static concept – but I believe society is best understood in terms of the *multitude*.<sup>11</sup> We shall understand society as something ontological and *more than the sum of relations* between individuals. In a more specific manner this thesis will understand society as being defined by an ever increasing need to *handle information*. Not just in an abstract manner but indeed a very concrete. Let us elaborate: It is no longer just dusty professors, smart consultants and enterprising students who use terms such as *information* or *knowledge* society. As “ordinary” people have grown accustomed to the internet, emails and even leaked military documents the idea of pairing society with the information prefix emerges. Information is everywhere attainable 24/7. But what about knowledge. An immense focus on education and on optimization of the brain's capacity direct us toward knowledge and the knowledge society. Which of these prefixes are the best denominator for the society this thesis operates within and upon? And are these prefixes “just” another way of saying that society is bending the knee for Facebook, Apple and Google? Or is there more to it? Many use the words information society and knowledge society uncritically and interchangeably. This thesis sees major differences: where information can be understood as *raw*, *pure* and *massless* data,



knowledge is processed, embodied and situated. Both notations (information and knowledge) carries meaning from economy. Complete information is a pre-condition and conceptual basis for a perfectly competitive market to *emerge* by establishing rational and all-knowing agents. Knowledge is otherwise biased through a trend initiated by Marx in *Grundrisse*, where he argues, that knowledge is becoming the new primary resource in capitalism and production. This thesis will advocate the use of knowledge society. A knowledge society is acknowledging that informations *in-themselves* are useless and that it is first when they are somehow met by subjectivity, they are evaluated and deemed useful or useless. In this thesis a knowledge society is not about blindly celebrating that knowledge is the new primary resource – a resource that does not comply to the concept of scarcity<sup>12</sup> – and that we therefore are on the threshold of a hitherto unknown age of prosperity and wealth. No doubt that knowledge understood as a (or something) good thrives on being shared. In our knowledge society there is both abundant immaterials and scarce materials. But where is the demarcation? And how is the demarcation shifting?

## Capitalism | Scarcity

Capitalism is often depicted opposite to socialism and overlaying concept like freedom and democracy. Capitalism is widely used in both textbooks and common language. Depending on academic profession and/or political affinity, capitalism is either positively, negatively or “neutrally” charged. In everyday language, capitalism is used by both politicians, entrepreneurs, activists, workers and business owners. By acknowledging that it is a word used in many different spheres also makes it a rather weak concept: From the 1850 economy of Britain to the 1990 tiger economies of East Asia. From the Scandinavian welfare model to the 1980 stock-market frenzy of Wall Street. Lately the trend has been to pair capitalism with a prefix creating words like cognitive capitalism, anarcho-capitalism, corporate capitalism, laissez-faire capitalism, neo-capitalism, state capitalism, techno-capitalism, social-capitalism, late capitalism and even post-capitalism. So – as Kristensen and Nepper Larsen argue<sup>13</sup> – *capitalism* becomes the permanent fixing point referring to some core concepts (profit motive, wage labour, surplus value, marked mechanism etc) and the chosen prefix becomes the epochal new. The suffix (capitalism) give us the direction and tells us which concepts we must be prepared to engage with, while the prefix at the same time narrows down and opens for a new direction. When discussing capitalism it seems that one of two mutually exclusive ideas must be chosen: Is capitalism a social accumulation structure or is it a real political strategy. This thesis argues that even though

capitalism is crystallized in industrious people and wealthy business owners, the most fertile way of understanding capitalism is as a social structure. We could loosely say that *capitalism is a accumulation system, where the means of production are (mostly) privately owned and where concepts like the free market, scarcity and rate of profit are of major importance*. For this author this seems like a reasonable description of the capitalism probably conceived in 17<sup>th</sup> century, propelled by the industrial revolution, made famous by Marx and infamous by 1970s Marxists. Capitalism has fathered major improvements and major catastrophes – were the toning seems to depend on political position. For the sake of disclosure, this thesis appreciates the idea of cognitive capitalism – in very short the consequence of knowledge having a privileged and unique position in capitalism. We shall return to the impact of this.

These elaborations above are obviously incomplete – each one of them is worth a lifetime of studies. Instead it is an invitation for the reader to join (and perhaps even *understand*) *my world*. The ambition is to show the reader the operational context in which we (the reader and I) will be looking for the past, the present and the future of *value*, but also to sharpen my pen and my thoughts and show the reader how and through which optics my language, my excavator, is forged. It is important to clarify that I do not see these concepts as prior or more fundamental compared to that of value – this thesis argues that they are constitutive to value as much as to each other, and that any given understanding of value also forms the concepts above. By *bracketing* the depth of the *society* and *capitalism* it is possible to focus primarily on the concept of value. This bracketing does not mean that I preclude them, but rather that I am aware that I cannot build a castle without a foundation, and this foundation – so to speak – also is a castle on its own.

Below I bring two statements. These are to be considered somewhere between *claims of today* and *proclaims of tomorrow*. Partly visionary, partly declaratory. They are meant to illuminate two paradoxes – or at least tensions – in common language.

- Ours is the **age of valorization**. But our world is not just a **plane of discrete numbers** allowing an non-trivial valorization process.
- Ours is the **age of the immaterial**. But our world is **material to the bone**.

Now we are ready formulate the specific purpose of this thesis.

### 3) Purpose: the so-called statement of a problem

We have seen that there is an immense complexity attached to the word value – it seems that *value* has been overflowed with meaning and that it so to speak lost its *value* by being too meaning-intense. But the major assumption of this thesis, the *drive* of this author is that it can be *productive* to insist on some sort of commonality. I am convinced that no matter how different and multifaceted the concept of value may seem, there must be some sort of unifying force – there must be a centre of gravity, or to put it differently, I believe that insisting on this centre of gravity will push our understanding further. As it shall be clarified in the methodology we shall argue that language itself is a productive (and disruptive) force, that do no translate straightforward to *the world, reality or everything as it is*. The author of this thesis is optimistic regarding language. Sometimes you get stuck in the labyrinths of meaning, but then it is time to mobilize a *will* to find a way out. This thesis is never about advocating the total collapse of language, but instead insisting that when *value* is used in many different context, there is still something common at stake. Something common grounded in language and the fact that we actually utter the word *value* even though we obviously have many different *understandings* associated with it.<sup>14</sup>

Performing a simple etymological examination<sup>15</sup> shows that *value* (the English word) is rooted in the French *valoir* (be worth) and the latin *valere* (be strong, well, healthy), both from around the 13<sup>th</sup> century. Furthermore it is connected to *valiant* (from French *valliant*) meaning *stalwart* and *brave* and the name Walt/Wald which is related to both *power* and *violence* (German: *Gewalt*) as well as *ruler*. *Values* is merely the plural of value, but as we have indicated it has assumed a life on its own. *Worth* is also from around the 13<sup>th</sup> century meaning *equal in value to* and is borrowed from German *werthaz* (towards, opposite). We see that it is relational in its usage. So we have seen that *value* originates from Latin/Christian rhetorics and is spread cross Europe in the high middle ages, when crusades, feudalism, chivalry and Scholatism were the movements of the time. As many other important ideas flowing out of Rome and Italy, also *value* was Greek before it became Italian.<sup>16</sup>

This is *exactly* why we – as one of the most critical tools in our box – must submerge in the annals and scrutinize how the word has been used so far. This historical excavation allows us to explore the thinkers of yesterday and to see if knowledge forgotten can facilitate the study of today. As we shall see the concept of value was primarily a matter of living a worthy life with economic part merely as a sub-category for this *good* life. Ironically it seems that framing questions of value, of production and of market as *political economy* in the 18<sup>th</sup> and 19<sup>th</sup> century made the overall focus less ethic-political and more business-econometrical.<sup>17</sup> Today – in the wake of 21<sup>th</sup> century – the concept of value is once again omnipresent. But it is somehow in a perverted – or at least different – version than that of old Greece. In order to understand and enrich our present usage of the word we must understand its journey over the last 2500 years.

Such a major examination of the history of economy and philosophy cannot stand alone. After a diagrammatic summing up we shall seek to rebuild the concept of value – or at least clean up the mess. The

ambition is not to demand a scientific 1:1 precision, but rather to understand how and to which extent we can refer to and employ the word without embarrassing ourselves and our language. I wish to sharpen and galvanize the word, so that it may once again be used without ridiculing the tongue. This rebuilding shall be conducted with help from contemporary master thinkers within philosophy and economics, primarily rooted in the tradition from Marx and Nietzsche to Deleuze and Virno.

The above has let me to pose the following:

**In a society dominated by an immense and complex accumulation system and opaque-but-always-present-and-never-ending process of valorization we must understand value ! But how ?**

**My answer will include**

- **an historic economic-philosophical examination of the concept of value.**
- **a rebuilding and a clarification of concept of value, including among others a discussion of the transformation problem and the source of value.**
- **a discussion of subjectivity, individuation and virtuosity**
- **concrete suggestions for a language capable of engaging with the concept of value, including a framing of the need for a politics of reclaiming**
- **pointers on future examinations.**

Even though this question guides my research, the thesis is written within a philosophical tradition, where the emphasis is focused on posing the *good* questions instead of proposing the *right* answers, making the thesis exploratory and provisional rather than embracingly unifying and final. In order to pose these good questions the thesis will primarily draw on insights from general philosophy, from value theory and from the diversity of the contemporary philosophical environment in primarily Italy and France. It is important to stress that the approach will be eclectic.<sup>18</sup> This eclectic approach – together with the composition and the overall methodology – will be explained and hopefully satisfyingly justified in the next section.

## 4) Preliminary part two: method & methodology

Perhaps we should take off by explaining how I understand the difference between method and methodology. For me the **method** covers the actual steps I take to get from the first to the final chapter. It is more or less a short overview over the different sections – a composition of sorts. It aims to deliver to the reader a possibility for understanding the internal logic of the thesis. In contrast to this is the **methodology**, which covers how I understand concepts like language, truth, research ethics, subject/object relations etc. In this part I seek to elucidate the philosophical tradition I belong to and which implications this tradition brings. This is also where I will define the limits of this thesis and elaborate on the consequences of this demarcation. In short I understand the method as an overview of the presented text and the methodology as the meta-reflections on the presented text.

### Method

#### Prologue

The first part of this thesis covers *the introduction, my foundation, the problem statement and the method & the methodology*. In this section we lay down the track for the rest of the thesis. We illuminate how and through which traditions this thesis is written and we establish to which degree its power of predictions can be understood. Writing this thesis within a philosophical tradition demands reflection and a certain depth, which is why this section to some may seem bulky in its quest for grounding.

**Themes:** Introduction, foundation, method, truth, language

#### Illuminating value through the history of philosophy and economy

This section is the core foundation of the thesis. In a sense this section is both thematic and chronological. First Aristotle delivers his view upon value as something at the same time *philosophical* and *economic* situated within the Polis-lifeworld. We witness how the concept of value – at least partly – leaves this understanding and it is ironically the moral philosopher Adam Smith who initiates the transformation. David Ricardo and Karl Marx continues to understand value primarily within the sphere of – dare we say – capitalism and with the so-called marginal revolution we have a concept of value that almost entirely is understood within an economic-mathematical context. Rogue thinker Nietzsche insists that every value must be reevaluated and Schumpeter seeks – to some extend – to combine Nietzsche and Marx with a theory on the individual as motor of progress and creator of value. Also fusing Marx and Nietzsche with his own thinking Deleuze is showing us how to understand surplus value in 21<sup>st</sup> century.

**Themes:** the concept of value, exchange-value, use-value, surplus-value, social-value.

#### Organizing a concept of value

Here we develop our concept of value. In practical terms this development must be understood in tension between *rebuild* and *cleaning up*. Through an intense discussion of the different types of value we met in the previous section we shall organize a concept of value, that have be cleansed from obsolete ideas and

unproductive understandings. Whereas the previous section was highly focused on certain philosophers and/or economist this section will be highly thematic. In this section we shall address the acute tensions discovered in the previous section and frame them within economic terminology. The relationship between price and value is intensely discussed. How we can understand the source of value and finally how value and values can be amalgamated to form a better understanding of *what value is*.

**Themes:** Price, value, source of value, subjectivity, values, capitalism, virtuosity, individuation.

### Final remarks

This section is what some would call a conclusion, yet this thesis offers no *conclusion* in the ordinary meaning of the word. This chapter is summing up what we have learned and discuss how we can understand the concept of value – hereunder elaborating how the language of value must become a political language of reclaiming. This thesis also delivers its understanding of *what value is*. Finally we point toward future examinations.

**Themes:** the market, language of reclaiming, *what is value?*, future examinations.

### Methodology

It seems that the first and foremost question a methodology must be able to handle is that of *truth*. To which extend something is true or a representations of (a) truth? Is it at all possible to claim any truth value? And if we discard a classical demand for truth (how) can we avoid the pitfall of *scepticism*? Below we seek to provide *epistemological* basis of this thesis, but be warned, this thesis seeks to combine Gilles Deleuze's emphasis on productivity with a heavy focus on language, aiming not for the skies (or other privileged places) but rather for the soil in which we are grounded. We shall elaborate below. Contemporary Danish philosopher Ole Fogh Kirkeby argues that one of the main purposes and challenges of philosophy is to liberate *words* from *concepts*. Fogh Kirkeby claims that

concepts have a static, representative structure that is context-independent whereas words are a movement, always situated, at the same time dependent-of and creating its context. Concepts are only virtual interactive, but words are de facto interactive since they transform what they signify as well as the reality of the signification.

Ole Fogh Kirkeby [my translation]<sup>19</sup>

No doubt Fogh Kirkeby relies heavily on the late philosophy of German thinker Ludwig Wittgenstein. The author of this thesis shares this Wittgensteinian affinity but feels the need to elaborate a bit: we must always concern ourselves with the origin of concepts. How did they crystallize, how are they rooted, to which extend are the concepts at our disposal adequate and when are we obliged to form new? Furthermore this affinity does not mean that I believe we can or even should liberate the words entirely from the concepts (I have difficulties imagining what would happen if one succeeded in doing so, but it would probably cause our entire system of communication to break down), but rather that we must always be aware how concepts are formed, trying our very best not to either under- or overload words with meaning not intended or properly

suited. I believe that the Fogh Kirkeby quotation rather should be read a desirable attitude, a state-of-mind, among the users of language to remain critical and precise. I believe it is approximately the same attitude advanced in the Deleuzian mantra of philosophy as *the creation of new concepts*, even though the latter also invites creativity onboard.

This next remark regarding language and philosophy is inspired by the *Orwellian* idea of Newspeak. The word Newspeak is coined in dystopian George Orwell book *Nineteen Eighty-Four*<sup>20</sup> and is about a suppressing totalitarian regime in a not so distant future. Basically Newspeak is based on one idea: to rid language (Oldspeak) of all synonyms and thereby creating a uniform language with no vulgar metaphors or extraordinary superlatives leaving only simple dichotomies (pleasure/pain etc.) to describe and to create. Following is perhaps the best known – and most widely quoted – lines regarding Newspeak.

By 2050 – earlier, probably – all real knowledge of Oldspeak will have disappeared. The whole literature of the past will have been destroyed. Chaucer, Shakespeare, Milton, Byron – they'll exist only in Newspeak versions, not merely changed into something different, but actually contradictory of what they used to be [...] The whole climate of thought will be different. In fact there will *be* no thought, as we understand it now.

George Orwell, *Nineteen Eighty-Four*; p. 9

Along these lines we also find the late Wittgenstein and his idea of the language being at the same time the border, the constitutive element and the creative nexus of our comprehending: our thoughts are bound by our language and – by being a social phenomenon – constraints in language are constraints in thought. A counter-strategy against such an Orwellian nightmare – highly relevant for this thesis – is to produce “new” words. Obscure words. Words that backstab the reader. Text where meaning is only afforded through effort. Sentences put together in a hitherto unknown way. Creating a *minor* Deleuzian/Kafkaen literature is perhaps slightly ambitious, but the beacon could be a language somewhere between a first and a second-hand language. Adorno coupled this to *thinking* in one wonderful sentence stating that *the utopia of cognition would be to open up the non-conceptual with concepts, without making it the same as them*.<sup>21</sup> As speakers-of and spoken-by language humans must always try to navigate through words & concepts and never indulge in the use of clichés. For now we shall let Nepper Larsen have the last say in this debate: *Strong sentences contains words and phrases that are not full of cliches and dead metaphors. It is an ongoing challenge to learn both to think and to speak a language that makes your life commendable*.<sup>22</sup>

As mentioned earlier this thesis will display an eclectic approach. This means that it will not follow the thoughts and convictions of one or two thinkers, but rather let many and sometimes conflicting thinkers have their say. This is a choice that comes with both strengths and weaknesses. If I had chosen to bring only one or two theorists, one could argue that it would allow for a deeper, more thorough analysis comprised of their views and insights on the matter. Applying only a few thinkers also reduces the risk of philosophical inconsistency. This of course is a valid point, but I firmly believe that by working serious and sometimes

meticulously this risk can be almost annulled. Since I have actually chosen an eclectic approach it implies that I find these could-be weaknesses to be outweighed by the strengths. By letting many – often opposing – theorists have their say I wish to acknowledge that Lyotard's shattering of the grand narrative also applies here.<sup>23</sup> It is a complex world and with an ambition of posing good and critical questions, I believe that attacking an area of interest from many different angles can be very productive.

Now is also the time for focusing on the odd dichotomy of empirical and theoretical research. I have always had a hard time understanding this distinction. It seems to be more of analytical interest than an actual difference that makes a difference. Question like “What is data?”, “Does reading a book implies an empirical or theoretical approach?”, “If we're doing a survey, does that mean our research is empirical?” or “Observations will help ground my conclusion – can I observe books, theories and papers?” are all important questions but it seems futile to believe that for example a master thesis can be *either* empirical *or* theoretical.<sup>24</sup> I find the distinction to be artificial and almost out of fashion. But – as Weber pointed out – hypothetical concepts sometimes are a necessity to form a general view. Before bringing a rather comprehensive and momentous Deleuze quote regarding *practice* and *theory*, it will be sufficient to say that this thesis will not employ surveys, interviews or statistical observations as part of its toolbox.

The relationship between theory and practice are far more partial and fragmentary. On one side, a theory is always local and related to a limited field, and it is applied in another sphere, more or less distant from it. The relationship which holds in the application of a theory is never one of resemblance. Moreover, from the moment a theory moves into its proper domain, it begins to encounter obstacles, walls and blockages which require its relay by another type of discourse (it is through this other discourse that it eventually passes to different domain) [...] Practice is a set of relays from one theoretical point to another and theory is a relay from one practice to another [...] Representation no longer exists; there's only action – theoretical action and practical action which serve as relays and form networks.

Gilles Deleuze (in Michel Foucault's) *Intellectuals and Power*, p. 206

This sums up my concerns about theory and practice quite well.<sup>25</sup> We need to dwell on the radical proclamation, that *representation no longer exists*. Is an *excavational* thesis like mine at all possible if this is the case? Representation in the Deleuzian sense is a moral view of the world, *explicitly or implicitly drawing on what everybody knows*.<sup>26</sup> In order to move past representation it is necessary to undermine the primacy of originality and instead promote the copy-without-original (the simulacrum) and so the question for thesis materializes: can we combine an archeology metaphor with that of the simulacrum? Let us try answering this by elaborating on which kind of critique<sup>27</sup> I seek to perform. By affirmative reading of thinkers within the philosophical and the economic sphere, this thesis seeks to build a better understanding of the concept of value. It is never the ambition to *deconstruct* any one thinker but rather to get affected and to progress by combining insights of rather diverse thinkers. This thesis relies considerable on quotations, that is, bringing a



quote and then engage either explanatory or critically as the best way of producing new, yet somehow grounded, knowledge. Of course this is at the risk of becoming a Nietzschean “plundering troop” – it *is* easy to be seduced by strong and vulgar interpretations without understanding the context in which they were written and which meaning they were intended to carry. Is this wrong? Combining the insights of Wittgenstein/Gadamer (Understanding with capital U is never possible but always provisional) with an affirmative attitude I believe is the only way of producing innovative *and* grounded insights. If I behave as a *plundering troop* it is never with bad intentions. Furthermore the critique must be immanent. Not because it will be better or stronger but because it is the only possibility – this thesis is about developing a proper language. This is only possible within language. Returning to the original question I think the answer lies in the *tension* between the archeology-metaphor and the acknowledgement of the simulacrum.

As you – dear reader – probably have noticed by now I use phrases like *I, the author, this thesis* and *we* almost interchangeably. This stylistic approach has been chosen for two reasons. First of all it is a way of creating flow and readable text but more important is it a way of insisting on a scientific and factual attitude knowing that this ultimately resides in the empirical subject of Andreas, the author of this thesis and the methodologically heretical “I”. This scientific and factual attitude must not be confused with a desire to remain objective or neutral or to create a 1:1 truth language.

In 1990 Paul Auster wrote his absurd novel *The Music of Chance*, a book that had a major influence on me. The major theme in this novel is the clash between two worlds – *the improbable world of chance and the determinate world of law*.<sup>28</sup> This interdependence between rationality and chance, between the actual and the possible also flows through this thesis. Writing this master thesis was never just about following the *master plan*. Rather it is about setting sails for distant lands, well aware that high seas often force the captain to reconsider the course. Suddenly – through seamanship, determination and dedicated sailors – the ship arrives in *the new world*. Or framed a bit more classic: writing a thesis is an iterative process, where the final product never is exactly that imagined from the beginning.

Being in a field where most primary literature is either German, French or Italian presents some challenges: this thesis is written using English words, English syntaxes and English grammar. But it is written by a Dane, with English as his second language. A Dane with a fine sense of Danish semantic finesse and slightly weaker sense of the English linguistic peculiarities. Furthermore many of the applied thinkers are French, German or Italian, which displaces meaning even more. As a rule of thumb this thesis will present authoritative translations of Danish, French and Italian. If such authoritative versions are not accessible I will perform the translation myself and bring the original text in the annotation. German quotations will be brought to a minor degree. I most firmly believe that authors should be read in their original language, but realizing that French or Italian are not read by the majority of readers (including myself), my approach will be the one sketched above.

A remark about demarcation. One point must be chiselled in stone in regards to the enunciative validity of

this thesis. Primarily applying thinkers within the neo-Marxist regime allows me to make certain statements, but also excludes me from others. Newer liberal thinkers like Becker, Stigler, the other Theodor W (Schultz), Friedman and the rest Chicago school will not be brought to justice, or to frame it differently, they will function as Weberian ideal types, knowing perfectly well the potential injustice embedded in this approach: I do write within the neo-Marxist tradition, I am inspired by thinkers within this tradition and I am convinced that exploring this tradition will be fruitful in years to come. By emphasizing this I seek to illuminate my ideology, reducing my vulnerability to Žižekian inspired critique, where an (sublime) ideology camouflages itself in order to avoid critical remarks.<sup>29</sup>

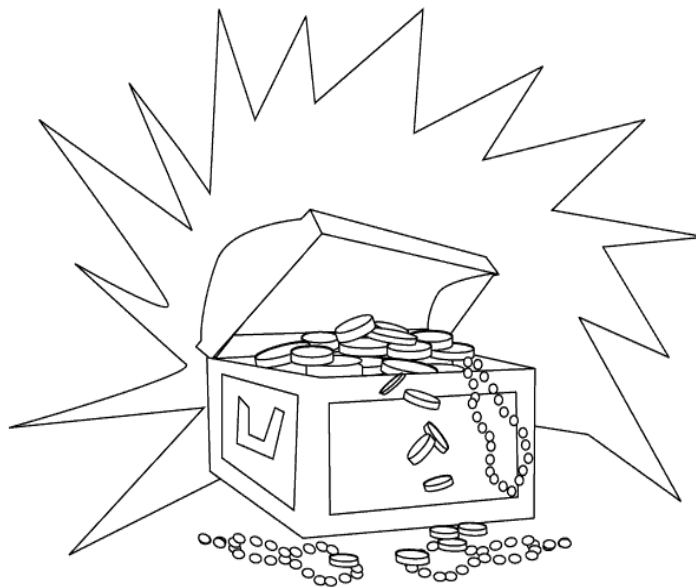
I am a student of business and philosophy. I know about value theory, about economics and about decision theory. I know about history of philosophy, about ethics, phenomenology and philosophy of language. I know modern French philosophy, Italian socialism and German critical thinking. I have a special affinity for the thoughts of Marx, Nietzsche, Heidegger, Benjamin, Gorz, Wittgenstein and Deleuze. This thesis is written within the tradition sketched. On the other hand I am not trained in sociology, psychology or anthropology, which means I shall be careful not to enter these academic fields. And when I inevitably cross over, I shall walk with great caution.

A final comment: Realizing that the ordinary and apologetic argument of the graduate student – *insufficient time and pages* - inevitable becomes tedious we shall refrain from this and instead advance directly *zu den Sachen selbst*.

## 5) Illuminating value through history of philosophy & economy

As it should be clear by now, this thesis argues that we live in a time where the focus on language is immense. The word *value* is *in-itself* difficult to engage with. I believe that before we even start adding meaning to the concept we must clarify how and in which contexts the word has been used. In a way we take off by allowing history to have a say, instead of deafening it with contemporary fuss. If this contextual uncovering is to have any *value* we cannot just negligently quote various thinkers. We need to dive deep into their world and thinking before we can make their thinking our own.

One leitmotiv is obvious: *economic value theory*, that is how a given thinker handles and positions himself towards the dichotomy of intrinsic versus subjective value. Besides this we shall pursue important words in the vicinity of value. For example exchange-value, use-value or surplus-value. Moreover we shall carefully examine when words like *capitalism* or *profit* or are uttered. First we travel almost 2500 years back in time to be enlightened by the great Greek thinker Aristotle.



*Ceci n'est pas valeur*

## **Aristotle: Everything valued in Polis**

Aristotle (384-322 BC) molds the foundation for nuanced thinking regarding both philosophy and economics. Aristotle is arguable the first to discuss ethics, value and virtue as a field on its own. In *Nicomachean Ethics* and in *Politics* Aristotle discuss how life is best lived, how men are to live a highly valued and worthy life and also how we must understand price, profit, valorization and market transactions. Reducing complexity it could be argued that while the *Nicomachean Ethics* evolves around developing the concepts of the good life, the *Politics* seeks to develop the actual strategies for these concepts to flourish in the Polis<sup>30</sup>, and it is also generally accepted that *Politics* follows in direct chronological continuation of the *Nicomachean Ethics*. The probably most heavily quoted Aristotle paragraph is the very first lines of his *Politics*:

EVERY STATE is a community of some kind, and every community is established with a view to some good; for mankind always act in order to obtain that which they think good. But, if all communities aim at some good, the state or political community, which is the highest of all, and which embraces all the rest, aims at good in a greater degree than any other, and at the highest good.

Aristotle, *Politics*, Book I.1

Above Aristotle proclaims that not only are communities and ethics closely linked, but also that the state – being the highest form of communities – embrace, develops and constitute the highest good. This alignment of sociality as always-already valuable, becomes a bearing point for the way value is thought henceforth – also for this thesis. In a way the value of lived life, relations or products must always be viewed and understood in relation to the community. One of the major achievements of Aristotle is his division and conceptualization of the means/ends relation.

If, then, there is some end of the things we do, which we desire for its own sake (everything else being desired for the sake of this), and if we do not choose everything for the sake of something else (for at that rate the process would go on to infinity, so that our desire would be empty and vain), clearly this must be the good and the chief good.

Aristotle, *Nicomachean Ethics*, Book I.2

And

Now we call that which is in itself worthy of pursuit more final than that which is worthy of pursuit for the sake of something else, and that which is never desirable for the sake of something else more final than the things that are desirable both in themselves and for the sake of that other thing, and therefore we call final without qualification that which is always desirable in itself and never for the sake of something else.

Aristotle, *Nicomachean Ethics*, Book I.7

By insisting on the logic of means/ends figure he arrives at the state-of-being-happy (eudamonia) as the

ultimate goal of living. Following the same logic Aristotle argues that the most valued life is that of *contemplatio* – an activity that cannot be understood as research or inquiry but rather as an activity that consists in understanding. To clarify Aristotle gives the example of the activities of gods:

But that perfect happiness is a contemplative activity will appear from the following consideration as well. We assume the gods to be above all other beings blessed and happy; but what sort of actions must we assign to them? Acts of justice? Will not the gods seem absurd if they make contracts and return deposits, and so on? [...] Every one supposes that they live and therefore that they are active; we cannot suppose them to sleep like Endymion. Now if you take away from a living being action, and still more production, what is left but contemplation? Therefore the activity of God, which surpasses all others in blessedness, must be contemplative; and of human activities, therefore, that which is most akin to this must be most of the nature of happiness.

Aristotle, *Nicomachean Ethics*, Book X.8

The most worthy life is that of *contemplatio*, which tentatively can be equated to a life devoted to act of thinking on thinking. Aristotle searches for a concept of value which is not bound. *He looks for activity that would make life worth living even if life had no defects and limitations to overcome.*<sup>31</sup> Stretching the argument we could say that Aristotle seeks a concept of value in a world that does not know about scarcity. One question must be addressed before it develops to an actual inconsistency: Given that Aristotle praises the act of *praxis* how must we understand the art of contemplation? Here it is instructive to remember Aristotle's distinction between *process* (kinesis) and *activity* (energeia). A process effects a change and has a natural termination point, whereas an activity not is about getting things done. An activity is complete at every moment and an example could be that of *speaking*. Speaking has no natural termination point and is – so to *speak* – complete at every moment. Speaking is an activity whereas performing a certain speech is a process. Therefore we must not understand *contemplation* as passive escapism, but as an activity with a certain affinity for concept of finality.

For Aristotle ethics, politics, economy and value theory are all part of *practical philosophy*<sup>32</sup> and these topics are interrelated – the ethics of Aristotle shows clearly in his thoughts on economy. The ethics of Aristotle is build on the concept of virtues. This is of utmost importance since *virtues* and *values* somehow translate in the same realm. Here is how Aristotle understand the particular *being* of virtue:

Therefore, if this is true in every case, the virtue of man also will be the state of character which makes a man good and which makes him do his own work well.

Aristotle, *Nicomachean Ethics*, Book II, 6

Followed by

For the things we have to learn before we can do them, we learn by doing them, e.g. men

become builders by building and lyreplayers by playing the lyre; so too we become just by doing just acts, temperate by doing temperate acts, brave by doing brave acts.

Aristotle, *Nicomachean Ethics*, Book II, 1

This presents the *aporia* rather well – if virtues are seen as the *good*, then an interesting question arises: whether or not the quality of virtue is the same as the practice of virtue? We shall return to this later, and for now unfold the practical implications of managing economy in Polis. Etymologically *economy* is rooted in ancient Greek *Oikos* meaning household or family. For Aristotle the managing of a household is the cornerstone of understanding value and profit.

Property is a part of the household, and the art of acquiring property is a part of the art of managing the household; for no man can live well, or indeed live at all, unless he be provided with necessities.

Aristotle, *Politics*, Book I.4

And

It is easy to see that the art of household management is not identical with the art of getting wealth, for the one uses the material which the other provides. [...] There is, however, a doubt whether the art of getting wealth is a part of household management or a distinct art?

Aristotle, *Politics*, Book I.7

Besides from the definitions of property it is interesting to note the passage *no man can live well, or indeed live at all*. This distinction between living well and just living is interesting, since it shows how the good life always resonates throughout Aristotle's thinking and how his thinking in a sense always-already is normative. This distinction is grounded in his believe in the difference between *needs* and *wants*. Needs are moderate, but wants are limitless.<sup>33</sup> For Aristotle value (of a good) is its ability to satisfy needs/wants, thereby subscribing to a *more* subjective theory of value, than Plato who claimed that *men of business never should attempt to raise price, but merely ask the value* (!). He also argues that labour does not as such create value. Given the importance of the Polis it is probably not reasonable to claim that his value theory is objective in the standard way and with the quote below it is even possible to claim him somewhat proto-marginalist!

external goods have a limit, like any other instrument, and all things useful are of such a nature that where there is too much of them they must either do harm, or at any rate be of no use

Aristotle, *Politics*, Book VVI.1

In many ways the value theory of Aristotle is more sophisticated than the thinkers following him the next at least 2000 years. There is absolutely no doubt that our modern understanding has much in common and is heavily influenced by the insights produced by this ancient Greek.

Aristotle also raises the important question of whether getting wealthy is a “natural” part of managing a household or not. This is of utmost importance since the family is regarded as the basis of society. If getting wealthy (accumulation money or gold) can be identified as a “natural” part of managing the household it fair and legit, but if should it be judged “unnatural” it must be discarded as less worthy. Aristotle is quite clear:

There are two sorts of wealth-getting, as I have said; one is a part of household management, the other is retail trade: the former necessary and honorable, while that which consists in exchange is justly censured; for it is unnatural, and a mode by which men gain from one another.

Aristotle, *Politics*, Book 1.X

Accumulation for the sake of accumulation – retail trade – is not natural in the Aristotelean sense of the word. Sharp and witty tongues would probably ask if this is not a prime example of an activity characterized by finality, but Aristotle insists: the ultimate consequence of trade and market transactions in order to accumulate wealth is that one man becomes rich on the behalf of another man's demise and this is unacceptable. Aristotle was well aware of the tension between individual mongering and societal progress. Here we shall scrutinize Aristotle's view on actual exchange - here is how to measure (the value of) goods:

It is not two doctors that associate for exchange, but a doctor and a farmer, or in general people who are different and unequal; but these must be equated. This is why all things that are exchanged must be somehow comparable.

Aristotle, *Nicomachean Ethics*, Book V.5

And he elaborates further

All goods must therefore be measured by some one thing, as we said before. Now this unit is in truth demand, which holds all things together (for if men did not need one another's goods at all, or did not need them equally, there would be either no exchange or not the same exchange); but money has become by convention a sort of representative of demand.

Aristotle, *Nicomachean Ethics*, Book V.5

Trade (money) becomes the practical implementation of *justice as proportional reciprocity*. By exchanging useful goods in just proportions men are bonded and remains bonded for as long as the trade is just. Trade becomes a way of exchanging value and money becomes the way division of labor is not only afforded but appreciated. Following his own logic Aristotle inevitable arrives at a difference between exchange-value and use-value, even though it is not as distinct defined as seen in later thinkers. Money – being the practical consequence of organized trade – is assigned with an interesting double-character. It is both abstract and crystallized value and a nominal token for measuring demand. It is the glue that *holds all things together*. This is rather interesting since Aristotle then claims that it is not duty, good will or rational thinking that glues everything together, but the “desire” for the other's possessions. In short trade becomes a means to secure

stability and growth in Polis. Trade as a discussion of value *and* money also points towards Marx's great challenge - *the transformation problem*.<sup>34</sup>

Where Aristotle combines his thinking on economic, ethics, politics etc, this is not necessarily the case for newer thinkers<sup>35</sup>, who have been influenced by the differentiation in the wake of the European Renaissance and so the concept of value begins deflating – or at least to loose its specific meaning. A guide question could be: what happens when the interrelatedness between *Oikos* and *Polis* are brutally separated, and also, how has religion influenced the the legacy of Aristotle. Our next stop takes to exactly this last question.

### **Intermezzo: scholasticism, mercantilism & physiocracy**

Now we jump forward and focus more intensely on the economic part of the concept of *part* of value, that is, value as a concept in the area of profit, products and price. As we saw Aristotle did not distinguish between these different types of value, which allowed him to conclude things that in a contemporary context may seem unreasonable, unfair or even impossible. The Scholastic thinkers – the intelligence reserve of Christianity – are heavily inspired by Aristotle (and Plato) and tries to reformulate the old Greek's thoughts on value, price and market transactions. By appropriating thoughts of Aristotle the Scholastics seek to integrate the practice of transaction with the dominant religious dogmas of the time. A main concept is the idea of the *just* and the *just price*. In *Summa Theologica* Thomas Aquinas (1225-1274) presents the general idea:

if either the price exceed the quantity of the thing's worth, or, conversely, the thing exceed the price, there is no longer the equality of justice: and consequently, to sell a thing for more than its worth, or to buy it for less than its worth, is in itself unjust and unlawful.

Thomas Aquinas, *Summa Theologica*, 2-2, Question 77, article 1

A just price is when the price and the value equates. If this is not the case Aquinas rules that

It is altogether sinful to have recourse to deceit in order to sell a thing for more than its just price, because this is to deceive one's neighbour so as to injure him.

Thomas Aquinas, *Summa Theologica*, 2-2, Question 77, article 1

It is rather obvious that he takes over from Aristotle (and Plato), but what we have to pay attention to is the threat of sanctioning: by doing something *unjust* and *unlawful* the perpetrator is deemed *sinful*. God is *outside* the product exchange and can pass judgement. A transcendent reference also causes a (minor?) shift in the value theory. Where Polis for Aristotle was the reference that *defined*<sup>36</sup> reasonable price, it is now given from *outside*. Is this the same as saying that Scholasticism operates with an intrinsic theory of value? I would not say so, but I ask the reader to remember this tension. The concept of fair price has survived to this very day in the concept of *fair value*, which is an *unbiased and rational estimate* of a given market price, which takes both *objective* factors (production costs, distribution costs, *actual* utility, supply vs. demand) and *subjective* factors (risk analysis, individual perceived utility) into consideration.<sup>37</sup> This is an interesting



concept worth remembering but all in all it subscribes to a rather naïve and vague theoretical foundation, that would make it difficult to instate today.

Scholasticism was eventually succeeded by the era of Enlightenment, which was characterized by division. This division granted autonomy to different spheres of life, releasing them from the hegemony of religion and/or philosophy. Of course this had major impacts on the understanding and development of the concept of value. **Mercantilism** was a child of this division, and consisted of businessmen who wanted to develop policies for trade. The one mantra that held these businessmen together was their belief in the total wealth of the world was fixed amount, which lead them to believe that wealthy nations were those who had a very restrictive import policy and substantial export. Trade was fundamental to value, but in a global perspective value was still considered a zero-sum game. This also resulted in a rather monotonous focus on production (as opposed to consumption), since a product is needed for doing export. The consequence of this is that wealthy nation is intimately related to industrious and poor worker, without any extraordinary habits or vices.

Around 1750 **Physiocracy** evolved in France – a movement which suggested a different answer to the question of how value is created: Nature is the sole provider of value and therefore all non-agricultural activities is to be considered sterile. Where Mercantilism was characterized by diversity and businessmen of any trade wrote pamphlets with major focus on trade and commerce, Physiocracy was defined by *one* man with *one* philosophy. In *Tableau Economique* Francois Quesnay developed his famous analysis of economic flow. His theory consists of three economic classes, namely the *proprietary* (landowners), the *productive class* (agricultural labourers) and the *sterile class* (artisans and merchants). Taxes should be imposed primarily on the unproductive classes (landowners) and the farmers should have their taxes reduced, since they *actually* create value. This focus on agriculture also eliminates the need for strict international trade policies and a laissez-fair attitude is preferred. Physiocracy is indeed a reaction against mercantilism. But it is also a concise and coherent description of how value is created. It may be humans (farmers) who facilitate, but in its *essence* it is nature who provide humans with value. The value theory is indeed intrinsic given, since value stems from nature and is measurable and deductible. In a certain and not too literal sense part of the ambition of this thesis is to create a *tableau* of the 21<sup>th</sup> century.<sup>38</sup>

Another reaction against the disorganized and sometimes even inconsistent mercantilism was provided by a Scottish moral philosopher, who tried to incorporate both Mercantilism, ethical business, Physiocracy, division of labour and a labour theory of value into one big theory on the *wealth of nations*.

### **Smith & Ricardo: value through labour**

Adam Smith (1723-1790) seeks to reanimate the tradition of Aristotle (and the scholastics) in combining ethics and economics when trying to grasp the concept of value. His legacy however is centered around *perfect competitive markets* and *the invisible hand*. Smith opens his magnum opus *The Wealth of Nations*<sup>39</sup> with the claim that:

The annual labour of every nation is the fund which originally supplies it with all the necessaries and conveniences of life which it annually consumes, and which consists always either in the immediate produce of that labour, or in what is purchased with that produce from other nations.

Adam Smith, *The Wealth of Nations*, Preface, p. 1

This is truly a radical introduction, since it breaks with the canonized knowledge of the time. Value does not concern accumulating bullion within the boundaries and borders of nation states, but is rather intricately related to a more abstract notion of labour. In order to close in on the subject we need to scrutinize Smith's semantic understanding of the concept of value and its connotations. Value

... has two different meanings, and sometimes expresses the utility of some particular object, and sometimes the power of purchasing other goods which the possession of that object conveys. The one may be called "value in use"; the other, "value in exchange." The things which have the greatest value in use frequently little or no value in exchange; and on the contrary, those which have the greatest value in exchange have frequently little or no value in use. Nothing is more useful than water: but it will purchase scarce any thing; scarce any thing can be had in exchange for it. A diamond, on the contrary, has scarce any value in use; but a very great quantity of other goods may frequently be had in exchange for it

Adam Smith, *The Wealth of Nations*, p. 28

Drawing on Aristotle Smith also acknowledges that two kinds of value of goods can be identified. Use- and exchange-value. For Smith there is no internal coherence between these two types of value: there is no way of – mathematically or even semantic – deducing one if the other is given. Smith presents what is to be known as the paradox of value, in which he discusses the apparent paradox of the value of diamonds and water as a prime example of use- and exchange-value respectively. We shall return to this in a later chapter. Deeming use-value inaccessible for (micro)economic treatment, Smith instead focuses on the exchange-value (known as *the relative prices*). Here we need to dwell upon two key figures of economics: the short run and the long run. Smith argues that in short run prices – the value of goods – are determined by both demand and supply. Coupled to this Smith operates with two notions of price – *natural*- and *market* price. The natural price is exactly equal to the cost of production and the market price is what we could call *the going price*. Smith argues<sup>40</sup> that, in the long run and under the assumption of perfect competitive markets, prices of goods generally depend only upon the costs of production<sup>41</sup>, which leads him to conclude that value must be sought for in the supply-regime. This inevitably forces him to develop the labour theory of value:

The real price of every thing, what every thing costs to the man who wants to acquire it, is the toil and trouble of acquiring it. What every thing is really worth to the man who has acquired it, and who wants to dispose of it or exchange it for something else, is the toil and

trouble which it can save to himself, and which it can impose upon other people.

Adam Smith, *The Wealth of Nations*, p. 43-44

The toil and trouble is here to be understood as labour. The only invariant size in a society, the only one factor allowing to compare and evaluate value over time is the amount of labour invested in the goods. This emphasis on labour also leads Smith to develop the paired concepts of *productive and unproductive labour*. A normative conceptual pair that in terms of practical applicability perhaps is rather weak, but as an analytical tool can be powerful.

There is one sort of labour which adds to the value of the subject upon which it is bestowed; there is another which has no such effect. The former, as it produces a value, may be called productive; the latter, unproductive labour. Thus the labour of a manufacturer adds, generally, to the value of the materials which he works upon, that of his own maintenance, and of his master's profit. The labour of a menial servant, on the contrary, adds to the value of nothing [...] A man grows rich by employing a multitude of manufacturers; he grows poor by maintaining a multitude of menial servants.

Adam Smith, *The Wealth of Nations*, Book 2, chapter 3

What we see here is that not every labouring activity is adding value. Smith launches these concept as an assault on the landowning class and government, since these – Smith argues – are detrimental to economic development. As a last but highly noteworthy shift in rhetorics, Smith revitalises the thematics of the production/consumption dichotomy: where the focus so far had been almost exclusively on production, Smith implies that end purpose of economic activity is consumption and not production.

David Ricardo (1772-1823) was – contrary to Smith – a very competent mathematician and a man of business. His major work *Principles*<sup>42</sup> replaced *Wealth of Nations* as the accepted book on economic questions and can be read as both a comment and a developing of Smith's masterpiece as well as a standard text book on practical issues of the time, e.g. *the Corn Laws* or *international trade*. Being interested in value theory in order to explain what cause value to change over time, Ricardo also pursues an *absolute value* invariant over time:

The only qualities necessary to make a measure of value a perfect one are, that it should itself have value, and that that value should be itself invariable in the same manner as [...] a measure of weight that it should have weight and that such weight should be constant.

David Ricardo, *Absolute Value and Exchangeable Value*<sup>43</sup>, p. 1

Although an immense effort was afforded, Ricardo was never able to find such an invariant commodity, or rather, Ricardo did – like Smith – find this invariant to be labour. But where Smith confused himself and his readers by advancing different labour value theories (among others one, where the cost of labour is the

primary factor), Ricardo was more clear-cut.

The value of a commodity, or the quantity of any other commodity for which it will exchange, depends on the relative quantity of labour which is necessary for its production, and not on the greater or less compensation which is paid for that labour

David Ricardo, *Principles*, p. 1

For Ricardo labour is not only the direct work of labours but also the labour required to produce for example raw materials and machinery used in the process.<sup>44</sup> Capital is so to speak merely stored-up labour or labour that had been applied in a previous working cycle. In this we see a somehow modern approach, in which different types of input ultimately can be reduces to the same. Nevertheless it is Smith and Ricardo we today consider as the first to employ the different *factors of production*, namely *land*, *capital* and *labour*. As we shall see Marx is heavily inspired by and go beyond these factors. Ricardo also discuss use- and exchange-value through a comment on the diamond-water paradox and opposite Smith, Ricardo is convinced that the use- and exchange-value are linked.

Utility then is not the measure of exchangeable value, although it is absolutely essential to it. If a commodity were in no way useful, – in other words, if it could in no way contribute to our gratification, – it would be destitute of exchangeable value, however scarce it may be, or whatever quantity of labour might be necessary to procure it.

David Ricardo, *Principles*, p. 1

So according to Ricardo exchange-value only occurs if use-value already exist, or to frame it differently, before a commodity can be valorized on a market a demand must exist. But this demand is not a direct measure of the price. The price depends on both the demand and the scarcity. Ricardo was definitely closing in on the forth coming revolution of economics – the marginal utility. Before examining this breakthrough we shall investigate the one thinker who has god-fathered more *isms* than any other in the history of economics.

### **Marx: living labour and general Intellect**

Karl Marx (1818-1883) has in many ways set the standard for discussing value theory and economics. Marx assumes more-or-less the same *principles* and *laws* as his predecessors and relies heavily on categories and rhetorics developed by Smith and Ricardo. But he tweaks and turns the arguments arriving at radical conclusions. First of all Marx uses the labour theory of value in the same package as seen at Ricardo, but trough out his writings, there is an immense focus on the social meaning of labour. Here from 1848.

In the process of production, human beings work not only upon nature, but also upon one another. They produce only by working together in a specified manner and reciprocally exchanging their activities. In order to produce, they enter into definite connections and relations to one another, and only within these social connections and relations does their

influence upon nature operate – i.e., does production take place.

Karl Marx, *Wage Labour and Capital*, p. 7

The above gives a hint of how this thesis will apply Marx – not as complete and sufficient analysis of *capitalism per se*. We shall not discard his collected thoughts even though *the unbearable lightness of retrospectivity* shows that some of his internal logics are flawed thereby producing questionable results. We shall use Marx to illuminate the downsides of capitalism, to show how growing valorization affect workers / humans, to proclaim the coming of *commodification* galore and to discuss how *value* emerges. This fragmented use is of course hazardous, but to the best of my beliefs the only way to employ Marxian thought today. Not only does Marx assume the Ricardian labour theory of value, he also takes over the important concepts of use- and exchange-value, albeit with a slightly change internal coherence.

Use value does not stand as such opposite exchange value, as something defined as use value by exchange value; while inversely use value as such does not stand in a connection with exchange value, but becomes a specific exchange value only because the common element of use values – labour time – is applied to it as an external yardstick [...] It must now be posited that use value as such becomes what it becomes through exchange value, and that exchange value mediates itself through use value.

Karl Marx, *Grundrisse* p. 269

Now is a good time to define the properties of a commodity – this is of course the Marxian commodity, but it draws on insights back to Aristotle. In this context a commodity has four properties: 1) value, 2) use-value, 3) exchange-value and 4) price. Starting from behind price should more or less give itself. Exchange-value represents what other commodities it will trade for in an exchange event. Use-value is of course the value in use (for humans) which leaves the most tricky for last: *value*. Marx believes that when abstracting out the three other properties what remains is *value*. And not just any value, but a value related to the *socially necessary labour*<sup>45</sup> needed to produce it. I believe we can draw a line back to Aristotle here, when Marx more or less claims that all commodities are social products of labour. Commodities are social.<sup>46</sup>

Returning to the quote above we shall elaborate on *labour time* as an *external yardstick*. For Marx – as for Ricardo – it is labour that generate value. Surplus-value could tentatively be defined as the difference between (the value of) *unpaid* labour and (the value of) *paid* labour. It is the workers ability to generate surplus-value the capitalist seeks to exploit. With a paraphrase from the third volume of *Das Kapital*, *the surplus-value is the invisible essence we want to examine, the profit is the appearance as a surface phenomenon*.<sup>47</sup> In *Grundrisse* Marx discuss how to understand this value creating labour:

The only thing distinct from *objectified* labour is *non-objectified* labour, labour which is still objectifying itself, labour as subjectivity. Or, *objectified* labour, i.e labour which is *present in space*, can also be opposed, as *past labour*, to labour which is *present in time*. If it

is to be present in time, alive, then it can be present only as *the living subject*, in which it exists as capacity, as possibility; hence as *worker*.

Karl Marx, *Grundrisse*, p. 272

This is very important: we have expanded our vocabulary with a notion about how value comes into being. And for Marx it is evident that the power to orchestrate this surplus labour is defining. The struggle between the employer (capitalist) and the employee (worker) becomes a struggle of controlling working hours – of controlling time. And the employer needs the worker, since he is the only way of generating more profit.

The commodity owner can, by his labour, create value, but not self-expanding value.

Karl Marx, *Capital vol. I*, chapter 5

So the worker becomes a commodity. And a priced one indeed. This major insight of growing *marketization* is of the finest and long-lasting quality.

The use value which the worker has to offer to the capitalist [...] is not materialized in a product, does not exist apart from him at all, thus exist not really, but only in potentiality, as his capacity [...] As soon as it has obtained motion from capital, this use value exists as the worker's specific, productive activity; it is his vitality itself.

Karl Marx, *Grundrisse*, p. 267

Marx shows us that we cannot “just” talk about use- or exchange-value but that we have to ask: for whom? And not only must we understand who the recipients are, we now also see that value is not only prescribed to goods but also to humans. To be more precise: subjects prescribe value and everything is – potentially – valorized. The old economic idea of value being prescribed by subject to objects is crumbling. Furthermore the above shows us how capitalism handles externalities<sup>48</sup>. Humans are thrown into the centre of economic valorization and it suddenly seems hard to argue that anything *de facto* is outside economy. If we combine these insights (and especially the quote above from *Grundrisse* page 267) with the one below, we see the sketching for another of Marx's brilliant ideas:

Could commodities themselves speak, they would say: Our use value may be a thing that interests men. It is no part of us as objects. What, however, does belong to us as objects, is our value. Our natural intercourse as commodities proves it. In the eyes of each other we are nothing but exchange values.

Karl Marx, *The Capital vol. I*, p. 207

We are only inches away from arriving at *alienation*. As Marx just told us a certain sub-category of commodities do actually speak! And so the worker comes to understand themselves as nothing but exchange-value. Or to frame it with Aristotle: nothing but means to an end.

Let us return to the commodification. Marx & Engels proclaims with immense sophistication and great foresight, that

The bourgeoisie, wherever it has got the upper hand, has put an end to all feudal, patriarchal, idyllic relations. It has pitilessly torn asunder the motley feudal ties that bound man to his “natural superiors”, and has left no other nexus between man and man than naked self-interest, than callous “cash payment”. It has drowned out the most heavenly ecstasies of religious fervour, of chivalrous enthusiasm, of philistine sentimentalism, in the icy water of egotistical calculation. It has resolved personal worth into exchange value, and in place of the numberless indefeasible chartered freedoms, has set up that single, unconscionable freedom - Free Trade. In one word, for exploitation, veiled by religious and political illusions, it has substituted naked, shameless, direct, brutal exploitation.

Karl Max & Friedrich Engels, *Communist Manifesto*, chapter 1

In this long and powerful quote we discover the depth of Marx (and Engels) as he lays the bricks for the concept of commodification. Marx ferociously accuses the bourgeoisie (the capitalists) of bringing every aspect of human life to the scaffold thereby condemning life to death-by-numbers. Fresh water, non-polluted air, sun, security, identity, gender, ideas. Marx is on collision course with later Nietzsche when he almost prefers religion and political illusions to that of *naked, shameless, direct, brutal exploitation*. However we shall later see that this commodification is not a strictly oppressive concept.

We now turn to a just recently *rediscovered* chapter in Grundrisse, namely the *Fragmente über Maschinen*.<sup>49</sup> In this chapter Marx prophetically announces the coming of 21<sup>st</sup> century accumulation. In these fragments Marx originally discuss how machines eventually will become most important factor of production.

In machinery, the appropriation of living labour by capital achieves a direct reality. [...] What was the living workers activity becomes the activity of the machine.

Karl Marx, *Grundrisse*, p. 703-704

Here is a crucial tension. Where Marx elsewhere argues that only worker (living labour) can create value, he is less persistent here. It is a matter of interpretation how abstract we are understand *machinery*, but in fact this is not of great importance. The interesting thing is the new assemblage of labour.

In machinery, objectified labour confronts living labour within the labour process itself as the power which rules it; a power which, as the appropriation of living labour, is the form of capital. The transformation of the means of labour into machinery, and of living labour into a mere living accessory of this machinery.

Karl Marx, *Grundrisse*, p. 693

It seems that Marx in mid 19<sup>th</sup> century with surprisingly foresight pinpoints the interesting and complex coherence between value and knowledge. Below we shall witness the only time Marx actually used the concept of *general intellect*. A concept that has been widely interpreted, expanded and elaborated by both the contemporary Italian socialists and the *cognitive capitalism*<sup>50</sup> movement.

Nature build no machines, no locomotives, railways, electric telegraphs, self-acting mules etc. These are products of human industry; natural material transformed into organs of the human will over nature, or of human participation in nature. They are *organs of the human brain, created by the human hand*; the power of knowledge, objectified. The development of fixed capital indicates to what degree general social knowledge has become a *direct force of production*, and to what degree, hence, the conditions of the process of social life itself have come under the control of the general intellect and been transformed in accordance with it.

Karl Marx, *Grundrisse*, p. 706

So Marx sees the *general intellect* as embodied in machinery, but not only as something *mechanistic*. The workers existence within the factory environment constitutes the social character of the general intellect. For Marx the general intellect is a knowledge pool constituted by machinery and technology, but unleashed through the “social individual workers”. Interpreted by Paolo Virno (1952) the general intellect *refers to the knowledge that make up the epicentre of social production and preordain all areas of life*.<sup>51</sup> From Maurizio Lazzarato (1955) we hear that *class anticipation sprang out against the massive and imposing "setting-to-work" of general intellect*.<sup>52</sup> and when French Carlo Vercellone paraphrases Antonio Negri (1933) on the general intellect it echoes that *the productive value of intellectual and scientific labour becomes dominant and knowledge re-socialises everything, becoming the principal productive force*.<sup>53</sup>

Besides from creating a complete terminology of value, Marx also point toward important consequences of capitalism, the most interesting for this thesis being that of commodification. Furthermore Marx gives us a language for distinguishing between value stemming “directly” from the worker (living labour) and from ‘abstracted’ and formalised knowledge (general intellect), when address how knowledge is about to manifest as the new important concept in production. In a naïve and tentative sense we could summarize that exchange-value is related to price, use-value to utility and surplus-value to creation. If we accept this, we are faced with the same challenges as Marx, namely that of the *transformation problem*. This dilemma is put forth by Marx in the third volume of *Das Kapital* and basically concerns itself with problem of finding a general rule to transform value to price. According to Marx the value of a given commodity could be isolated to every single “monetary input” (land, capital, labour). Therefore it was extremely difficult for the mathematician Marx to accept his inability to come up with a fitting equation for determining the “monetary output” i.e. the competitive price of the market. It should be simple when the added value is reducible to that of the worker – hence the labour theory of value. For now we leave the transformation problem by zooming in on those who as a solution to problem put the labour theory of value to sleep.



## Intermezzo: the marginal utility and the mathematical revolution

If Marx is the great critic of economic theory the *neo-Classics*<sup>54</sup> are the great reformers. Here is William Stanley Jevons (1835-1882):

Repeated reflections and inquiry have led me to the somewhat novel opinion, that value depends entirely upon utility. Prevailing opinions make labour rather than utility the origin of value; and there are even those who distinctly assert that labour is the cause of value.

W.S. Jevons, *The Theory of Political Economy*, p. 1

And he continues

The fact is, that labour once spent has no influence on the future value of any article: It is gone and lost forever. In commerce by-gones are forever by-gones

W.S. Jevons, *The Theory of Political Economy*, p. 164

Labour theory of value is discarded and instead a renewed focus on utility is advocated. The belief that value is something intrinsic to the finished good is terminated and the focus is now on the user – the utility and the consumption. In the static rhetorics of supply and demand this translates to is a renewed focus on the demand side. But – as the word *marginalism* hints – the major insight is that of marginal utility: the marginal utility is the examination of the change rate of utility when consuming (a single unit of) goods. Naturally this leads to the question of measure and comparison of value. And since we cannot compare the goods themselves (no *intrinsicity* is afforded) we turn to the consumer and *utilitarianism* as the yardstick. The marginal revolution also fundamentally changes the way we must understand *a product*. Where the (intrinsic) labour theory of value sees the product as “finished” when labour has been added to it, the marginal revolution and the neo-Classics begin dismantling the believe in a finished product.<sup>55</sup>

At the same this also means the final death of Aristotle's distinction between needs and wants. From the neo-Classics and forth it is beyond meaning to distinguish between what is needed to live and what is pure excess. Instead it becomes a matter of preference and intensity – how much the buyer wants something given that scarcity is the ever existing condition. Does a given consumer demand apple or bananas. Pork chops or iPhones – voila, the microeconomic indifference curves has been conceived. This opens for the interesting dual determining: we value a good through our preferences – but if preferences *translate* to values we suddenly value through values. This is a major insight which we shall elaborate intensely in a coming chapter.

The understanding of marginality also offers a solution to *Smithian Water-Diamond* paradox: it is not the total usefulness of diamonds or water that matters, but the usefulness of each unit of water or diamonds. Since water is in such large supply in the world, the marginal utility of water is low. Therefore any particular unit of water becomes worth less to people as the supply of water increases. Diamonds however are in much lower supply and therefore worth more to people. This is why, those who want diamonds are willing to pay a higher price for one diamond than for one glass of water, and sellers of diamonds ask a price for one

diamond that is higher than for one glass of water. Once again we see how scarcity become a major precondition for the marginal thinking.

With Alfred Marshall (1842-1924) the *mathematization* of economics (known as econometrics) is undertaken where the formulation of the *general equilibrium* (1874 by Leon Walras) and the *Pareto optimality* (1906 by Vilfredo Pareto) are major conquests. However Marshall is aware that mathematics and economics is *not* the same discipline:

Economics has made greater advances than any other branch of the social sciences, because it is more definite and exact than any other. But every widening of its scope involves some loss of this scientific precision; and the question of whether the loss is greater than the gain resulting from its greater breadth of outlook, is not to be decided by any hard and fast rule.

Alfred Marshall, *Principles of Economics*, p. 780

Economy thrives in the garments of numbers and the predictive power that follows. The mathematics and naïve supply-demand economics born with the idea of marginal utility and scarcity is still the prime textbook teaching for undergraduate at business schools and universities. Before examining 20<sup>th</sup> century economics we must turn our attention to the one philosopher who constantly claimed that value – all values – must be *transvaluated*.

### **Nietzsche: reevaluate everything**

Friedrich Nietzsche (1844-1900) is european *philosophé terrible*. With a notoriously bad health, a Nazi sister and an almost unstoppable intellectual drive he challenges the borders between philosophy, literature and poetry, seeking to understand the concept of value, what it implies and how values influences and perhaps *control* human life. It seems fair – at least Nietzsche does so himself in *Ecce Homo* – to regard *Also sprach Zarathustra* as a peak within this arrangement, but it will be instructive also to examine his thoughts leading up to this reborn Persian prophet.

*For the new year.* - I'm still alive; I still think: I must still be alive because I still have to think. *Sum, ergo cogito: cogito, ergo sum.* Today everyone allows himself to express his dearest wish and thoughts: So I, too, want to say what I wish from myself today and what thought first crossed my heart – what thought shall be the reason, warrant, and sweetness of the rest of my life. I want to learn more and more how to see what is necessary in things as what is beautiful in them – thus I will be one of those who make things beautiful. *Amor fati:* let that be my love from now on. I do not want to wage war against ugliness. I do not want to accuse; I do not even want to accuse the accusers. Let *looking away* be my only negation. And all in all and on the whole: some day I wish to be only a Yes-sayer!

Friedrich Nietzsche, *The Gay Science*, § 276

Nietzsche regards *Die fröhliche Wissenschaft* as his big Yes-book. Embracing life, science, poetry with a yes attitude, he seeks to affirm life by insisting that the value of life and values never can be metaphysically grounded. Nietzsche would probably even laugh at the notion of grounding something metaphysically, calling it a contradiction *in adjecto*. After *Die fröhliche Wissenschaft* – where God is pronounced dead – Nietzsche launches his dedicated attack on Christianity, herd mentality and life-denying values. He complements and empowers his Yes-saying by saying No. One could ask: is Nietzsche thereby committing adultery towards his yes-attitude? No! It is a delusion to think that affirming life is to say yes-yes-yes. Saying yes is also always saying no, and in this sense Nietzsche matures and qualifies his yes by saying no. In *Also sprach Zarathustra*, Nietzsche opens with his slightly mutated version of the famous Platonic cave- and sun allegories. We meet Zarathustra – the aforesaid protagonist – as he ends his 10-year self-imposed asylum and travels to a small city in order to teach about *the Übermensch*, about *the transvaluation of all values* and about *the last man*.<sup>56</sup>

When I came unto men, then found I them resting on an old infatuation: all of them thought they had long known what was good and bad for men. [...] And I bade them upset their old academic chairs, and wherever that old infatuation had sat; I bade them laugh at their great moralists, their saints, their poets, and their saviours.

Friedrich Nietzsche, *Thus Spoke Zarathustra, Old & New Tables*, § 2

The task for Nietzsche is to deflate values. But it is never a holy crusade towards nihilism, rather a quest to bring value back into life. It is in this *vitalistic* light we must understand his nihilism. Nietzsche proclaims that it is the human (*all too human*) *will to something*, that created Christianity as an antidote against a primordial, hypothetical state of nihilism. It is exactly our will that betrays us – or to paraphrase Nietzsche: our will to nothingness is always more than our not-willing. The valuelessness of nihilism is never an end goal but a necessary phase towards that of the *Übermensch*. And furthermore the *Übermensch* is in all its value a historic existence in the sense of a transitional existence. There is no point of arrival and we are always on our way (energia versus kinesis) (when we affirm life by disposing metaphysically “grounded” values)

What is great in man is that he is a bridge and not a goal: what is lovable in man is that he is an *over-going* and a *down-going*. I love those that know not how to live except as down-goers, for they are the over-goers.

Friedrich Nietzsche, *Thus Spoke Zarathustra, Zarathustra's prologue* § 4

and following this (although not chronologically):

I teach you the *Übermensch*<sup>57</sup> [...] I conjure you, my brethren, remain true to the earth, and believe not those who speak unto you of superearthy hopes! Poisoners are they, whether they know it or not. Despisers of life are they, decaying ones and poisoned ones themselves, of whom the earth is weary: so away with them!

There is nothing of worth hidden behind the curtains. Everything important, everything that enriches life is immanent. Nietzsche teaches us an important distinction – and relation – between the concept of value and values. Values change over time because values are embedded, unfolded, affected and radiated in historic existence. Wrapped in a more modern language, Nietzsche accentuates the *multitudic* nature of ethics. The difference between moral philosophy and (meta-)ethics, is that where the first concerns morality, the last is the investigation of the value of ethical properties and judgements. Nietzsche unfolds a language that lets us discuss the difference between morality and ethics, which is useful when discussing the characteristics of capitalism.

Whatever has *value* in the present world has it not in itself, according to its nature – nature is always value-less – but has rather been given, granted value, and we were the givers and granters! Only we have created the world *that concerns human beings!*

Friedrich Nietzsche, *The Gay Science* § 301

What Nietzsche underlines here is that (the value of) values always can be altered. It could be different. The validity of values is *never* given – or at least only given by fellow man. And we know Nietzsche does not settle for descriptive analyses. Au contraire. He wants a transvaluation of values! Nietzsche claims that the future task of the philosopher is to understand and perhaps even *solve* the problem of value and to determine the true hierarchy of values. Nietzsche himself does not offer a particular set of morals, but as we saw he is not a nihilist – this allows him to claim that just because a value came to have value (perhaps by *mistake*), this does not at all imply validity or integrity.

The firmness of your moral judgement could be evidence of your personal wretchedness, of lack of a personality; your “moral strength” might find its sources in your stubbornness – or in your inability to envisage new ideals. [...] I am reminded of old Kant, who helped himself to the “thing in itself” - another very ridiculous thing! - and was punished for this when the “categorical imperative” crept into his heart and made him stray back to “God”, “soul”, “freedom”, “immortality”, like a fox who strays back into his cage.

Friedrich Nietzsche, *The Gay Science* § 335

There are no – that is the error of Kant – eternal values. Let us dwell a moment on Nietzsche's thoughts on individuality versus group influence. Where Aristotle concludes that the society is yardstick – or even framework – of every (ethical) action, Nietzsche sees how this also allows for resentment. For Nietzsche a community is never about Hegelian freedom but rather a Freudian *sublimation machine*.<sup>58</sup>

*Herd instinct.* - Wherever we encounter a morality, we find an evaluation and ranking of human drives and actions. These evaluations and rankings are always expressions of the

needs of a community and a herd: that which benefits *it* the most – and second most, and third most – is also the highest standard of value for all individuals. With morality the individual is instructed to be a function. Since the conditions for preserving one community have been very different from those of another community, there have been very different moralities; and in view of essential changes in the herd and communities, states and societies that are yet to come, one can prophesy that there will yet be very divergent moralities. Morality is herd-instinct in the individual.

Friedrich Nietzsche, *The Gay Science* § 116

Society have a way of projecting (to use another overloaded Freudian concept) its – or its leaders – morality upon the rest. The weak. The community need its population to maintain and preserve, thereby seeking to *functionalize* them through morality. Bending the words of Nietzsche it could be argued that society in a sense becomes a metaphysical institution (prison). And Nietzsche is not particularly fond of metaphysics – no matter in which form they are disguised. So what Polis – can we still advance this idea in the light of Nietzsche? Definitely a valid objection worth remembering.

Two cohesive questions present themselves: is the question regarding values versus religion/ metaphysics still interesting and following how would Nietzsche characterize contemporary society i.e. would his analysis still be powerful and valid? Which robes have religion hid itself in or rather: What is the metaphysics of modern society? If society is analysed as a knowledge society with an associated accumulation system how the idea of anti-metaphysics relevant? How can we in a Nietzschean way ask what the value of values is? We end this intensive Nietzsche reading with an attempted answer delivered by himself.

When we speak of values we do so under the inspiration and from the perspective of life:  
life itself evaluates through us *when* we establish values

Friedrich Nietzsche, *Twilight of the Idols, or How to Philosophize with a Hammer* , p. 55

We shall now examine the thoughts of an austrian economist who were fascinated by the the powerful insistence on the capabilities or possibilities of the individualism proposed by Nietzsche, but at the same time read Marx and critically engaged with many of his concepts.

### **Schumpeter: entrepreneurs & social value**

Our historical journey is almost at the end. Joseph A. Schumpeter (1883-1950) wrote extensively on topics within the area of economy and political science. Schumpeter popularizes the Marxian concept of *creative destruction*: for Marx the destruction of the forces of production by the dialectic relation between the *forces* and the *relations* of production was a basic characteristic of capitalism. Capitalism is always given by its crisis. Schumpeter agrees with this insight: it is not a symptom of a dying capitalism but of a dynamic and developing capitalism. In that sense it becomes one of the keys for understanding value. Even though

Schumpeter relies heavily on the language and terminology developed by Marx, he ends up at a quite different destination. Where Marx is an analyst of (super)structures and classes par excellence, Schumpeter's main generator of wealth is the individual actor, which he names the *entrepreneur*.<sup>59</sup>

The function of entrepreneurs is to reform or revolutionize the pattern of production by exploiting an invention or, more generally, an untried technological possibility for producing a new commodity or producing an old in a new way.

Joseph A. Schumpeter, *Capitalism, Socialism and Democracy*, p. 132

For Schumpeter the entrepreneur is an expanding of the classical factors of production. According to Schumpeter *land, capital and/or labour* cannot (alone) account for the added value. To understand value as societal development and growth, we must understand the role of gifted individuals with extraordinary skills.

Everyone is as entrepreneur only when he actually “carries out new combinations” [...] An entrepreneur is not a profession and as a rule not a lasting condition, entrepreneurs do not form a social class.

Joseph Schumpeter, *Theory of Economic Development*, p. 78

The ontology of value is expanded. It is not the entire working class who is blessed with extraordinary vitality that adds value to a certain good, but rather a specific and rather exclusive group of individuals who get *things done*.<sup>60</sup> Value is ordained by the high priests of business.<sup>61</sup> This almost-Nietzschean approach burst into full blown Übermensch rhetorics, when Schumpeter lists the qualities of the entrepreneur.

Then there is the will to conquer: the impulse to fight, to prove oneself superior to others, to succeed for the sake, not of the fruits of success, but of success itself [...] Finally there is the joy of creating, of getting things done, or simply of exercising one's energy and ingenuity.

Joseph Schumpeter, *Theory of Economic Development*, p. 93

There can be no doubt that Schumpeter considers the entrepreneur the primary impetus of societal (as business) progress. But actually he did seek to expand the concept of value from that of his contemporaries by examining *social value*. Schumpeter was keen on the difference between individual and society. First he criticizes the individual utilities:

We must not overrate the importance of these [*individual, AK*] marginal utilities. It is true that, in a certain sense, they determine prices; but they cannot be called the cause of them. It would, in some cases, be just as true that prices determine the marginal utilities of productive agents, because they decide how much of them will be offered for the production of a certain commodity.

Schumpeter tells us that we cannot *always* calculate price even if we had some measure of individual wants / marginal utilities. There is no direct and simple casual relation. Schumpeter wish to understand whether we can establish a concept of *social value*, that gives us a better understanding of how value is created in (always-already social) communities. He takes off by underling that utility curves of a society cannot be understood as those of individuals

Society as such, having no brain or nerves in a physical sense, cannot feel wants and has not, therefore, utility curves like those of individuals.

Joseph Schumpeter, *On the Concept of Social Value*, p. 214

but ends up concluding that

in a non-communistic state no reality corresponds to the concept of social values and social wants properly so called.

Joseph Schumpeter, *On the Concept of Social Value*, p. 231

Schumpeter shows that one cannot simply accumulate all individual wants and thereby generate *social wants* and he agrees that the whole is more (or something else) than the sum of its parts. But he cannot establish a *social value* satisfyingly and arrives at a conclusion rather much shaped by his time: *only communistic states can have real social wants and value*. He was not able to satisfyingly articulate a concept of social value *as such*, but his effort to understand the gap between the individual and the social cannot be underestimated. Schumpeter (together will only lately recognized Gabriel Tarde (1843-1904) and his *laws imitation*) points toward the connectedness and imitative character of the social.

Every one living in a community will more or less look for guidance to what other people do. There will be a tendency to give to his utility curves shapes similar to those of other members of the community. Every one's valuations will be influenced by the fact *that he compares them consciously or unconsciously with those of his neighbours* [...] Moreover, the same holds true of the "cost side" of economic phenomena. Every one's costs depend, in an easily perceptible way, on every one else's costs, so that the individual cost curves, for each community, are interdependent and govern each other.

Joseph Schumpeter, *On the Concept of Social Value*, p. 220

Schumpeter is one of initiators of modern economics, where marginality, utilitarianism, self-aware maximization-rationality is substituted by allocation over time, game theory and empirically- and norm based rationality. His thoughts on *interdependentness* of consumer behaviour has contributed to the overall weakening of the simple supply-demand relationship and the rise of non-functionel consumer behaviour.<sup>62</sup>

After Schumpeter the 20<sup>th</sup> century economics are typically categorized as either being *mainstream* or *heterodox*.<sup>63</sup> It is an ongoing debate about what is mainstream and what is not. Sometimes a given theory is heterodox in some relations and mainstream in others. Sometimes there are political incentives to be mainstream but academic pride in being cutting edge and heterodox. Some time the other way around. In this context history is still happening, so it can be difficult to give an exhaustive classification – let us ultra briefly sketch important economic movements of 20<sup>th</sup> and 21<sup>th</sup> century.

The mainstream approach adopts and develops the neo-Classical ideas of marginalism, econometrics, rationality and seeks to combine it with the *Keynesian* emphasis on public investments and the role of the state to secure stable and controlled growth. Within the mainstream tradition there is an intense discussion whether time of crisis calls for more or less interference from the state – most prominent critique stems from the *Chicago School* (Friedman, Stigler etc) who champions a neo-Classic price theory and free markets. Basically a non-existing value theory and *instead* a price theory based on the supply-demand relationship. Value is expressed through consumer behaviour and demand curves.

In short heterodox economics is every position that is in opposition to the description above. That means both radical marxists and ultra conservatives are considered heterodox. Another example of this reduction is that both neo-Institutionalists and the Austrian School (von Mises and Hayek) are categorized alike. In my context one of the most important *discoveries* of heterodox economies of the 20<sup>th</sup> century is the institutionalist idea of *transaction costs*. In short transaction costs is the cost of participating in the market / an exchange. As a analytical concept it is bestowed with philosophical-explanatory power, but if the ambition is to equate transaction cost with a certain amount of currency, the concept is less useful.

Before closing this chapter with schematic summing up, we shall investigate the thoughts of a thinker whose philosophy knows no borders – a jack of all trades.

### **Deleuze<sup>64</sup>: grasping surplus value**

No areas of interest were too specific, too trivial or too complex for French philosopher Gilles Deleuze (1925-1995). Or at least so it seems when engaging with a thinker whose significance is skyrocketing in the early 21<sup>th</sup> century. Economy and psychology in the guise of *capitalism*, philosophy of ethical immanence through *affirmative monographs*, analysis of time through *cinema*. This list could go on. We shall undertake the difficult task of applying fragments of a complex thinker without a preliminary unfolding of the ferocity of his collected thoughts.

Deleuze reads Nietzsche with both love, admiration and affirmation – he includes Nietzsche in his canon of important figures in philosophy, in which he never officially includes Marx. However there can be no doubt that Marx is ever present in the writings of Deleuze.<sup>65</sup> I understand Deleuze's collected works as an attempt to synthesize the thoughts of Marx and Nietzsche: to be able to perform affirmative critique within the *axiomatic* of capitalism. Following Nietzsche's denunciation of Kant Deleuze states that Kant never was able



to perform *real* critique, since he “just” criticised things in the name of established values, *producing inventories of existing values*.<sup>66</sup> Here is Deleuze on the double-sided characteristic of *value*.

The notion of value implies a *critical* reversal. On the one hand, values appear or are given as principles: and the evaluation presupposes values on the basis of which phenomena are appraised. But, on the other hand and more profoundly, it is values which presuppose evaluations, “perspectives of appraisal”, from which their own value is derived.

Gilles Deleuze, *Nietzsche and Philosophy*, p. 1

This apparently simply insight is to be of major importance. We can only perform serious philosophy by questioning our perspective in the frame of values. For Deleuze *values* (and ethics) are strongly coupled to the idea of becoming. Ethics must be completely separated from *morals*. Where morality is about judging oneself or others according to what they are and what they ought to be, ethics – for Deleuze – implies a commitment to expanding the possibilities of life. This highly pragmatic way of understanding ethics rejects the construction of transcendental values: the world is not *true* or *real*, but *living*. *To affirm life is to evaluate life in order to set free what lives*.<sup>67</sup> Understanding this anti-representational thinking is imperative for grasping how Deleuze understands capitalism. We must dwell on the plateau of 7000 BC,<sup>68</sup> where Deleuze develops his idea *apparatus of capture*. For Deleuze the basis figure in the world is *flow* or movement (difference) and every social formation<sup>69</sup> is then a structuring of such flows. A coding.

[the] State apparatuses effect a capture of the phylum, put the traits of expression into a form or a code, make the holes resonate together, plug the lines of flight, subordinate the technological operation to the work model, impose upon the connections a whole regime of arborescent conjunctions.

Gilles Deleuze & Felix Guattari, *A Thousand Plateaus*, p. 415

This coding is necessary for society and even subjectivity to crystallize. Without coding no flows would ever find a social manifestation. Now capitalism have certain unique traits. It works as a decoding regime making new kinds of relations possible, which is why capitalism not per se is to be considered a “bad” phenomenon. It has the ability to produce new lifeforms, that could not exist under previous coding. Capitalism however is not to be considered purely attractive either. The decoding knows no limits (such a limit would merely be another code) and therefore nothing is sacred.<sup>70</sup> Or as it is put in *Anti-Oedipus*:

Capitalism is indeed the limit of all societies, insofar as it brings about the decoding of the flows that the other social formations coded and overcoded.

Gilles Deleuze & Felix Guattari, *Anti-Oedipus*, p. 245-246

Deleuze argues that early societies had a dramatically different form. Below he discuss how exchange situations in primitive societies must be restricted, almost as if these early societies had a an ill-omen – a

vision of what to come.

Yet exchange is known, well known in the primitive socius – but as that which must be exorcised, encasted, severely restricted, so that no corresponding value can develop as an exchange value that would introduce the nightmare of a commodity economy. The primitive market operates through bargaining rather than by fixing an equivalent that would lead to a decoding of flows and a collapse of the mode of inscription on the socius.

Gilles Deleuze & Felix Guattari, *Anti-Oedipus*, p. 186

It is in the context of *primitive socius versus modern capitalism* we must seek out the Deleuzian concept of surplus value. Or rather the coupled concepts of *surplus value of code* and *surplus value of flux*.<sup>71</sup> The tension between these two concepts elucidate an important difference between the pre-capitalistic society and current society.

Surplus value of code is the primitive form of surplus value, inasmuch as it corresponds to Mauss's celebrated formula: the spirit of the thing given, or the force of circumstance that requires that gifts be reciprocated with interest, being territorial signs of desire and power, and principles of abundance and the fructification of wealth.

Gilles Deleuze & Felix Guattari, *Anti-Oedipus*, p. 150

So pre-capitalistic societies created surplus-value through structuring of flow, but with the extreme prevalence of capitalism, we cannot maintain that codes (since capitalism is a *decoder* par excellence) is the only way to understand how value is created. Deleuze proposes surplus value of flux – value created through movement, flow, circulation. Adopting a mathematical notation, Deleuze elaborates

$Dx$  and  $dv$  are nothing independent of their relation, which determines the one as a pure quality of the flow of labor and the other as a pure quality of the flow of capital. The progression is therefore the opposite of that of a code; it expresses the capitalist transformation of the surplus value of code into a surplus value of flux.

Gilles Deleuze & Felix Guattari, *Anti-Oedipus*, p. 249

Surplus-value is nothing without its relation<sup>72</sup> and therefore must be a surplus value of flux. Value in circulation does however eliminate codes. As we have seen sociality cannot exist (without codes) – in fact *society without code* is *oxymoromic* – a contradiction of terms. This 1972 understanding of surplus-value is prophetically announcing the era of the *bubble* (be it *real estate*, *internet* or *credit* based). It is also this idea of flux and movement that terminates the idea of a finished and complete product (or for that matter a finished and complete *subjectivity*). It is the flow of desires and flow of forces that sometimes crystallize in an value-object. But then (shortly or after some time) this value-object is decoded and flow into another

arrangement gaining another value. In this sense we cannot say that society necessarily is gaining *more* and *better* value over time, but rather that value always-constantly must be evaluated compared to its ability to create new connections and to celebrate new forms of life.

Now we must turn to another Deleuzian remark on value, but where the *surplus of flux* show a general trait of capitalistic society, the coupled concepts of *human surplus value* and *machinic surplus value* allows us to differentiate and refine the concept of surplus value. Not doubt Deleuze have studied *Fragments on Machines* (from *Grundrisse*) intensely.

the relation between human and machine is based on internal, mutual communication, and no longer on usage or action. In the organic composition of capital, variable capital defines a regime of subjection of the worker (human surplus value), the principal framework of which is the business or factory. But with automation comes a progressive increase in the proportion of constant capital; we then see a new kind of enslavement: at the same time the work regime changes, surplus value becomes machinic, and the framework expands to all of society.

Gilles Deleuze & Felix Guattari, *A Thousand Plateaus*, p. 458

Deleuze is unfolding the tension between vitalism and the general intellect: not only humans – in some pure form with the unique *vitalistic* capacity – can create surplus-value, or rather, it is neither advantageous nor possible to eliminate the general and formalised intellect from the overall “equation”. And furthermore we cannot reduce value to the first or the latter. No primary essence is afforded. It is in the same atmosphere we must understand the differential relation of the types of money flow, in which decoded desire circulates while simultaneously being *caught in the principle of maximisation of profits*.<sup>73</sup>

The definition of surplus value must be modified in terms of the machinic surplus value of constant capital, which distinguishes itself from the human surplus value of variable capital and from the nonmeasurable nature of this aggregate of surplus value of flux. It cannot be defined by the difference between the value of labor capacity and the value created by labor capacity, but by the incommensurability between two flows that are nonetheless immanent to each other, by the disparity between the two aspects of money that express them [...] the one measuring the true economic force, the other measuring a purchasing power determined as "income".

Gilles Deleuze & Felix Guattari, *Anti-Oedipus*, p. 237

Both human and machinic surplus-value constitutes the whole of the surplus of flux – but they are incommensurable. We shall return to the source of value. Closely related to his ideas of flow and difference is that of the neo-Classical marginalism. Being an able mathematician Deleuze couples this to his own thinking

the interest of marginalism resides not in its economic theory, which is extremely weak, but in a logical power that makes Jevons, for example, a kind of Lewis Carroll of economics.

Gilles Deleuze & Felix Guattari, *A Thousand Plateaus*, p. 437

It is not the “economic side” of marginalism Deleuze celebrates. As we have seen this “economic side” make numerous – to the best – problematic assumptions about predictability, transparency and all-knowing, rational agents. What Deleuze praises is the idea of difference, of change. For Deleuze the *marginal revolution* means understanding when assemblages change and when *thresholds* are crossed. An underlining of the liminal nature of subjectivity, of time, of space and of “products”. This allows Deleuze to discard the exchange / use distinction, arguing that the *concept of liminal value*<sup>74</sup> unifies them.

There is neither exchange value nor use value but rather an evaluation of the last by both parties (a calculation of the risk involved in crossing the limit), an anticipation-evaluation that takes into account the ritual character as well as the utilitarian, the serial character as well as the exchanger.

Gilles Deleuze & Felix Guttari, *A Thousand Plateaus*, p. 439

With this remarkable and quite debatable testimony we close our historical examination of value. We shall now present our learnings, first in a diagram and after that by building a concept of value that acknowledges and draws on the valid insights and discards the obsolete.

## A diagrammatic summing up

The schematic presentation below offers the reader (and the writer) a summary - hopefully without being too reducing.

	Source of Value	Epistemology	Expanding value vocabulary	Figure	Tension / contradiction
<b>Aristotle</b>	Desire for utility	Foundationalist First principles	Use- & exchange-value	Contemplation	Source of value as non-productive
<b>Scholasticism</b>	Utility & Scarcity	Dualistic	Just Price	Between science and religion	God as "outside" the exchange.
<b>Mercantilism</b>	↑ export / ↓ import	No uniform approach ( <i>pamphletization</i> )	Trade as zero-sum	Trade as stock-piling & zero-sum	Private Vices, Public Benefits
<b>Physiocracy</b>	Land Productive work	Natural order	Agricultural surplus (AS)	Tableau Economique	Production of goods is consumption of AS
<b>Smith</b>	Division of labour	Induction (as opposed to Ricardo)	Societal value in self interest	Invisible Hand	Policy based vs. perfect market
<b>Ricardo</b>	Labour (presupposed demand)	Deduction (as opposed to Smith)	Comparative Advantages	Trade	Highly theoretical – explanatory power ?
<b>Marx</b>	Living labour (general intellect)	Historical / Dialectical Materialism	Surplus value	Capitalism analysis	Transformation problem
<b>neo-Classics</b>	Land Capital Labour (unlimited) wants	Mathematization	Value perceived as utility	Rational Choice Supply & Demand	Mathematics vs "the real world"
<b>Nietzsche</b>	Life / Will-to-power	Anti-metaphysical	Value of values	Reevaluation	Saying <i>yes</i> is always saying <i>no</i>
<b>Schumpeter</b>	Entrepreneur + Sociality	neo-Hegelian & Nietzschean	Social value ?	Creative Destruction	Capitalistic vs communistic society
<b>Deleuze</b>	Flow	Difference/Immanence (anti-representation)	Surplus value of flux	Affirmation	Decoding vs recoding

As it shows above, we have discovered – excavated – quite many different views upon *value*. I most firmly believe that productive way from here is not to reduce this schematic to *one* mantra or *one* image – that would be either impossible or "just" overdetermined by history. Nevertheless we shall now undertake the challenging task of unfolding the diagram above into a coherent but also multi-faceted construction of a concept of value that 1) remembers history and 2) evokes a personal stance. As Nietzsche told us everything action and every choice is rooted in values. From now on the normativity becomes more explicit.

## 6) Organizing a concept of value

Our tour de force through diverse economic and philosophical thinkers has underpinned what we already knew: when the word value is uttered several meaning-horizons appears. But can these various regimes be forged to one? Would this be rewarding and productive or *just essentialistic* and reducing? Even within the fairly fastidious world of economics the meaning is not-at-all singular and clear. When we study value in the context of *worth* we are still not offered a satisfyingly concise body of meaning. *Value, valuable, valourization, valuate, evaluate, devalue* and *transvaluation* – not to mention *use-value, exchange-value, social-value, value-in-itself* and *surplus-value*. As a strategy for granting a general perspective we shall remember one of the leitmotifs of the excavation, namely economic value theory.

### Value theory in the history of economics: intrinsic or subjective

Economics value theory concerns itself with this basic question: is value intrinsic given in an object or is it subjectively invested? It is here important to display linguistic caution and extreme precision.

For **Aristotle** the practical philosophy was about (among others) sketching guidelines and examining possibilities for living the good life in Polis. Therefore his economics was part descriptive and part normative, or rather, there was no distinction. Understanding Polis is understanding the social characteristics of exchange. Understanding exchange is understanding products, their price and their value and understanding the people involved in the exchange. For Aristotle product value and price is dimensioned alike and his concern was that the gap between them was closed. A gap between value and price could potentially result in a Polis collapse. His value theory is arguably somewhere between intrinsic and subjective but perhaps with an affinity towards the subjective, when he claims that the goods must satisfy the needs of the buyer.

Jumping 2000 years forward we see that for **Smith, Ricardo** and **Marx** value theory is understanding how products gain value – and to isolate this essence. And then use this essence to develop a theory on price formation. Common for this *triumvirate of labour theory* was that value is intrinsic in products. As we have seen the theories and their consequences differ quite radically but they do agree that labour (labour time or abstract labour) is the most dynamic factor of production.

**The neo-Classics** revolt against this idea claiming that focus needs to be on the consumer and his preferences, thereby advocating a non-intrinsic value theory. This position holds that value always is evaluated through subjects and that in-an-object-inherent amount of labour never is in strict casual relation to the value of that object. For the neo-Classics a gap between value and price simply mean that no exchange will occur.

Already this ultra-short review reveals a major problem. What is the value theory actually trying to explain? Is it price formation? Is it the exchange-value? How products gain value? Or how value is *evaluated*? Let us unfold this. Part of the marginal revolution was a tremendous focus on and brilliant technical use of

mathematics. But where it is obvious that price is in the realm of numbers, this is not at all self-evident regarding value. Perhaps it is fair that the marginal revolution finished off the intrinsic value theory, but it seems that the arguments were crooked, since they never aimed to explain the same thing as the aforementioned triumvirate. Smith, Ricardo & Marx chased the bringer of value. The neo-Classics chased the price formation.

We suspend this review before the confusion is irreversible. It seems we must address some basic questions before we are able to discuss value theory in a decent non-confusing manner. In summarized form below are the tensions and questions we encountered throughout the historical excavation. Questions we must deal with when seeking a proper language for seizing the concept of value.<sup>75</sup>

- (a) How is the relationship between price and value?
- (b) Who or what is the source of value?
  - Classes or geniuses?
  - Entrepreneurs or businesses?
  - Structures, individuals, sociality or even machines?
  - Can it be random and emerge *out of nothing*?
- (c) Who is the recipient of value?
  - Communities or individuals?
  - Employees, employers?
- (d) Is extraction of surplus-value always oppressive and exploitative?
- (e) Is value always something good?

As initially argued it is never about finding *the only & right answer* – that kind of treasure hunt is not within the scope of this thesis and arguably not even within the scope of philosophy (although certainly within the scope of orthodox economics). I believe some of the questions above are answerable in a general form, others only answerable through analyses of a given and well defined case-study. Some of them are a matter of definition and indeed some of them are best left unanswered but never forgotten.

- (a) **Price & value:** This is a very important question and this thesis seeks to provide both general clarification and normative strategies. We shall advance this.
- (b) **Source of value:** Marx gave us classes, Schumpeter the genius. Later he changed his mind denouncing the entrepreneur in favour of big corporations. Discussing value on this level seems futile for this thesis. However, value *ex nihilo* is not accepted. In many cases it may seem so, but defending such a position equals academic defeatism. We shall examine sociality and subjectivity as creator of value, when we ask how value relates to values.
- (c) **Recipient of value:** When this thesis asks who the recipient is, it has already defined that the recipient is a “who”. This is however not the same as advancing a methodological individualism or

saying that communities cannot undergo *valuable* changes. With the insights from Schumpeter and my methodology in mind we define that *value is perceived in human subjectivity and sensory apparatus through body and language*.<sup>76</sup> It is never a utilitarian project of equation numbers and utility to quality and value.

- (d) **Surplus value:** The language we use to talk about the creation of value is of extreme importance. We shall return to this and of course remember one of the primary ambitions of this thesis: to sharpen our language thereby providing valid critique and strategies of reclaiming.
- (e) **Value is good:** This thesis defines value as something that is good and therefore as something that is always worth maximizing.<sup>77</sup> This however does not imply believing in straightforward maximizing calculations. Defining value in this way does not reveal much about the ontology, it is just saying that *value is good*.

We shall examine the price-value relationship – connected concepts that are of profound relevance since ours is the age of valorization. The age of putting a price on everything. And evaluating *everything* according to its price. Furthermore we shall qualify the value creation debate and the concept of exploitation by examining the concept of surplus-value as seen by Marx and Deleuze accordingly. Lastly we shall examine if it is reasonable to connect value to values. And if so, how a normative strategy for understanding value creation could look like. Combining the above with insights and claims from the first chapters of this thesis I believe we can frame the questions within the terminology and frameworks of economics:

§1 A rethinking of the **price / value** relationship inspired by the **transformation problem**

§2 A exploration of the **source of value** with an focus on **externalities**

§3 An examination of **value & values** in a **capitalistic environment**.

The ambition is that these three paragraphs will display progression in the sense that the things we learn in paragraph one is carried on to number two and so forth, that is, we take off with the strict Marxian terminology and if we realize that this inadequate we shall seek to expand it accordingly.

Before advancing we need some simple and rather conventional definitions to avoid too many misunderstandings. *Product* is heavily meaning-overloaded and *commodity* bares too strong Marxist and *industrial age* connotation. Instead we apply the classical economic distinction between *goods* and *services*, where goods are primarily tangible and services are primarily intangible. We propose the term *trade-event* as an umbrella concept for goods and services. Trade-events can both consumed as well as produced. Even at the same time. All trade-events have a material and an immaterial component.<sup>78</sup> Trade-events can be objects, relations or even subjects. In fact the only requirement for something to be a trade-event is that is has *somehow been touched upon by the market*. We shall return to this. First we must discuss value and price.



## §1 Value & price

As the very first thing we need to enhance the concept of *valorization* – the concept I set to define our age. This thesis has become painfully aware of the inadequacy of the concept. For Marx it meant the assignment of a nominal “value” (on something) *and* an increase in this value<sup>79</sup>, but today it has become a somewhat imprecise concept – coupled with our focus on the tension between price and value, I believe it will enhance language and understanding if we move to explode the concept and create two “novel” ones instead: *pricing* and *valuation*.<sup>80</sup> Pricing refers to the process of giving trade-events a price and valuation is to treasure something, to hold it in high esteem or to acknowledge its importance and worth.

We already examined the four major attributes of a Marxian commodity but a brief summary is afforded: exchange-value is the rate by which a commodity will change for another commodity. Use-value is ability the commodity has to satisfy the wants of a potential user. Value corresponds to the socially necessary labour time needed to produce it and to avoid any misunderstandings we shall call it value-by-labour. Price should be self explanatory. For Marx exchange-, use-value and price are related to an exchange, whereas value-by-labour exists in the independently of being recognized and even without the commodity being *touched by the market*. For Marx value-by-labour is what drives capitalism to introduce the commodity to market and consequently profitize on it.

### Exchange-value no more

Exchange-value is first theoretically approached by Aristotle and then elaborated by Smith, Ricardo and Marx. When society no longer is a barter society, Marx argues, a tension between exchange value and price will emerge. Perhaps this is true but it can never be more than speculation! A theoretically constructed problem – a capitalistic society employing trade-tokens will for all practical matters experience a *zone of indifference* between exchange-value and price. Exchange-value will de facto always be expressed in the language of trade-token quantities. Following the neo-Classics we shall therefore argue that when society in which trade-events are facilitated by the medium of money, price can substitute the concept of exchange-value.

For Marx exchange-value is a link back to value(-by-labour) – the common factor we also could call *essence*. Exchange-value can then be said to be a certain form of the matter called *value*. Exchange-value also represent the owner's purchasing power, his ability to command labour. This thesis argues that the ability to command labour could just as well be represented by price. To insist on exchange-value is merely displacing the issue. Money (in the form of general currency) facilitates and simplifies the Polis trade of Aristotle in a much higher degree than animal skin, oil, cars or seashells and exchange-value represents an archaic, nostalgic and obsolete celebration of the moneyless society.

Armed with the heavy artillery of the anti-representational thinking of Deleuze, the powerful yet simplifying logic of the neo-Classics and the rationale of Ockham's Razor we discard exchange-value. This may seem

as a rather controversial manoeuvre, especially when writing and thinking within a Marxian tradition. Let us examine the consequences.

Some neo-Marxist thinkers argue that the important concept of *commodification* only is fully graspable when we have the tension between exchange-value and price – price being the artificial and undermining trait of capitalism/monetary society and exchange-value *represent the real value*. First of all I believe this is a fallacy and secondly this thesis is not prepared to accept commodification as a strict life hampering phenomenon.

Commodification is not about a tension between a value in exchange and a price, but a general matter of discrepancy between valuation and pricing, that is, we can access and understand the concept without the tension between the original and “pre-capitalistic” *exchange-value* and the “highly capitalistic” *price*. Obviously the problem is not that pricing is happening (or rather, that pricing is a condition in a trade society) increasing the selection of trade-events, but rather 1) that the actual pricing is off (too expensive, too cheap) in the quest for profit, or 2) that the market *itself is valuating*.<sup>81</sup> Aristotle taught us that trade is a practical and necessary consequence of society and that money/price is a way of formalising and facilitate this highly necessary trade. What we gain by insisting on the difference and incommensurability of *valuation* and *pricing* is a powerful tool to discover when commodification is life-hampering and when it actually initiates Nietzschean re-evaluation and makes new forms of life possible. With valuation and pricing we prepare and arm language to reclaim that which is unacceptably lost to the market.

As with capitalism commodification is not per se problem. This thesis is convinced that the problems arising in the aftermath of discarding exchange-value actually points towards another tension: the extremely unresolved “relationship” between value (in general) and price. We shall return to this and for now argue that instead of clinging on to the concept of exchange-value we must be ready to accept that developing a language for the concept of value always is political (as of course Marx also did).

### **The transformation problem**

As already touched upon the transformation problem evolves around the problem of finding a general rule of transforming value-by-labour to the market price. Marx needs to explain why there is a tendency of an average profit rate when the labour-to-capital ratio is varying greatly. It becomes crucial to find a way of relating labour input to profit.

One way of attacking the transformation problem could merely be to question this “tendency for an average rate of profit” – is it at all still viable in contemporary society? To nullify this the “average rate of profit” would indeed obviate the need for a solution to the transformation problem. However to do this in an acceptable manner would demand immense data collection, statistical maneuvers and several case studies. This is not within the scope of this thesis.

Let us begin with value-by-labour. This odd concept of a value invested and existing no matter if it is

recognized or not. For Marx this was the *common factor* of all commodities measured in units of abstract labour. The idea of something not touched by the market is indeed intriguing, but remembering the methodology of this thesis, the perspectivism of Nietzsche and the Wittgensteinian language games as social meaning this thesis is having a hard time accepting the validity and explanatory power of an intrinsic property. When value is *perceived by subjectivity through language and sensory apparatus*, we cannot meaningfully argue that a given trade-event should contain a permanent amount of value just waiting to be consumed, yielding a fixed amount of pleasure for everyone consuming this trade-event.<sup>82</sup>

Remaining for a bit in the marxist terminology, we have now discarded exchange-value and value-by-labour. This leaves us with use-value and price. First of all we shall accept price as the *market* price and not the *natural* price (cost of production). We need to modify the concept of use-value, so it never refers to some (in principle) measurable utility. We shall just name this concept *value*, the reason hopefully being crystal clear in a moment. So far we have taken more or less the same road as the neo-Classics did, but now we cannot follow them anymore.

Price and value. This is the two central concepts in the transformation problem, but we have altered the original problem since we are not examining the value-by-labour but the perceived value. I strongly believe this gives us an explanatory advantage, since our ambition when engaging with the transformation problem never was to reconcile profit and labour power. Of course we have stripped down our concept of value – right now all we have is the two definitions given on page 48: 1) the idea of value being perceived and 2) value as being something good – so it is somehow a leap of faith when we pose the following: Marx was trying to pry open Pandora's Box when seeking a formula that turned value into gold (or profit). The value of something is never the same as its price and mathematics can never be applied to equate them.

Price is price. Value is value. This is (an attempt to think) anti-representational. Of course value and price are interrelated through language – through the terminology of economics. But they do not represent each other. And they are not directly commensurable – never. It is never about neglecting the transformation problem but rather about embracing it. Of course this “solution” would be unacceptable for Marx-the-economist, since he most firmly believed in a mathematical link between labour value and profit – for him it was simply input / output, that had to be in same “currency”. But perhaps Marx-the-philosopher would accept this understanding, because it allows us to remember that value never is the same as price and that the process of commodification (and for the matter also *alienation*) exactly happens when this distinction is forgotten and when value and price are put in the same equation!

Let us ask how price and value are linked by focussing on the the social act of exchange. In modern economics (transaction) price is what happens when the value function of the buyer and the value function of the seller equates. This is of course heavily inspired by the neo-Classical thinking we have already examined. Let us try to update this remaining within the terminology. Transaction price becomes a liminal and temporary property linked but never eternally given to the material component of the trade-event. The

value functions of both *exchangists* are socially constituted functions never fully *expressible* through language, but instead crystallized in their *actions of exchange*. Aristotle taught us that exchange is imperative for a community to rise and in this sense price becomes the visible glue always dependent of and at the same time constitutive to social formations. This insight shows us that we cannot completely tear price and value apart. If they were fully disinterested<sup>83</sup> it would be reasonable to assume that exchange would break down. *Who would participate in a trade-event if nothing of valuable was perceived*. But what happens when the market no longer is local and concrete as in Polis but rather is becoming more and more abstract? We shall return to this.

This is not an exercise in actual price formation and rather we shall introduce two concepts introduced by Peter Sloterdijk (1947) and expanded by Andre Gorz (1923-2007), namely *allotechnology* and *homeotechnology*. Although used in slightly different realms, I believe they offer precise insights: Allotechnology is a framing of technologies (or language-games) that are based on the rhetorics of domination, whereas homeotechnologies *has to rely on cooperative, co-intelligent, co-informative strategies. It has the character of cooperation rather than domination*.<sup>84</sup> This thesis now argues that pricing no longer is rooted in liberal and democratic soil, but rather that the neo-Liberal idea of fair market and the *Habermasian* consensus price are non-existing<sup>85</sup> and rather that monopolistic mega-corporations, psychological & sociological superstructures, branding experts and cultural & political elites dominate the market and thus the price formation.<sup>86</sup> We have already seen how the concept of transaction costs acknowledges that participating in exchange rarely is “free” and often has additional costs attached. In short we could say that pricing hides behind the linguistics of democratic and liberal market mechanics, but in fact is based on strategies and rhetorics of dominance.

Valuation (the constituent of the *value function*) also occurs within a field of domination, but somehow the ability and the desire to deem something valuable seems to be a more democratic action – or perhaps we shall turn the argument around: whereas the price in many exchange situations de facto will be fixed, the value always seems open for negotiation, *for cooperation*. This is not the same as saying that mega-corporations are evil and the consumer/worker always is exploited, but rather that whenever a price is defined or given, the *technologies* involved are to a larger extent characterized by domination than cooperation, whereas when something is deemed valuable even the lowest voice is never completely ignored. Especially when remembering that I define value as perceived value. Remembering Marx the argument is that price perhaps in some regards still can be viewed as a property whereas value has filed for a profound divorce from the object.

Before we move on we present a definition of value. Adam Arvidsson defines value as *a socially recognized importance*.<sup>87</sup> This Aristotelian inspired definition propels us forward and we shall return to it frequently. So far we have defined value as perceived value. Now we expand this by underlining that even though value is subjectively perceived it still originates in something social. Let us see how this *origin of the value* has been – and is being – thought.

## §2 Source of value

We began this chapter by elaborating on value theory. But we had to suspend the review. Having refined our language to better understanding of the “relationship” between value and price we are now ready to examine the source of value.

Aristotle told us that the ultimate source of value (that which add value to your life) is the activity of contemplation. Right now, this may seem at bit off for this discussion but it reveals an important insight: value has not always been linked to the world of business and economics. For Aristotle value is not related to a trade-event, or rather, value is related to a trade-event not because of the trade-event itself and the value a citizen will achieve by acquiring it, but instead due to the higher purpose of glueing Polis together.<sup>88</sup> What we see here is that even though the trade-event delivers value to a buyer, the act of exchange is delivering value to Polis – securing the good community. In a sense value spills over – it must be perceived to be known as value, but it *does not just effect the perceiver*.

Moving on the Physiocrats argued that value stems from nature, Mercantilists and to a much wider extend Ricardo believed it is the product of trade, whereas Smith firmly believed it is the division of labour that creates value. Underlying both Ricardo and Smith is that the *source of value* is labour albeit in different wrappings.

We have already seen how Marx believes living labour to be the source of value crystallized in the living labour (in Grundrisse expanding this view). But we shall dwell here once again. Although coined by French socialist Pierre-Joseph Proudhon (1809-1865), it is Marx whom most associate with the concept of surplus-value. At first glance it is a strange concept. A surplus of value. How is that even possible when value since Aristotle is defined as something to strive for, achieve or acquire. As something desirable, outstanding and supreme. But as we have seen for Marx it was a way of remembering that the worker is the prime generator of wealth and that the very same worker is brutally exploited by the bourgeoisie (through the mechanisms of capitalism). Workers produce a surplus of value but is stripped from the right to dispose of it as they see fit. The worker is only paid a fraction of the value he actually delivers through his vitality as living labour - for Marx this exploitation was oppressive but does it have to be today?

With our disentanglement of price and value a new and more affirmative way understanding *exploitation* appears. Living labour i.e workers produce value and is paid a certain wage. We cannot logically argue that they are underpaid, since value and wage/price not is commensurable. And even if we could relate them, we would have a hard time anyway since the yardstick for measuring value is lost.<sup>89</sup> Marx's logic does not allow for synergetic effects and input/output must be proportional and calculative, and now is the time to depart with this strict logic.<sup>90</sup> In the remainder of this thesis, surplus-value is not per default to be understood as capitalism's way of extracting the worker's very last droop of blood (of living labour).

As we have seen the neo-Classics subscribe to a subjectivistic value theory. This thesis has an ambivalent

relationship to this idea. As we have seen it agrees with the premise that value must be perceived. The basic idea that market price should equal the use-value of the trade-event and thereby the value is basically fair and democratic idea but as we have seen this cannot be sustained. Value does not translate to price and the market of today is not about fairness but about profit. In a sense we could say that the neo-Classics displace the question of the source of value deeming it insignificant, arguing value is a matter of consumer priority – the source becomes the consumer himself.

In our immaterial age it has become problematic to maintain that the second basic assumption of marginalism – scarcity – holds. According to marginalism any phenomenon that is in unlimited supply *have no value*. For me this assumption points toward marginalism, that is neo-Classics, not actually having a value theory but a price theory: water needs to be bottled by *Perrier* not to have a value but a price.

Schumpeter – who read both Marx and Nietzsche – tells us that value is *ordained by the highpriests* of capitalism through the process of creative destruction. With Schumpeter's perhaps vacillating but nonetheless interesting idea of social value we may find another way. He did not find a viable *social value theory* but he tried to open the door. I believe we in Deleuze's writings find a possible third way. It seems that he – maybe unknowingly and definitely not explicitly – modernizes and enhanced the thoughts of Schumpeter (Nietzsche) and Aristotle to develop an idea of value always being created by desire and flow.

Before advancing Deleuze's ideas we revisit the *factors of production*. The factors of production has been a way of categorizing input. Land, Labour, Capital. *That which transforms – mechanically or magically – to a commodity of value*. Schumpeter suggests a somewhat new category (the entrepreneur), which is derived from the labour category, but more or less all value thinkers from Smith and Ricardo up to Deleuze have tried to categorize value creation in accordance with these.

Deleuze builds – as Marx – his idea of the source of value around the notion of surplus-value. But Deleuze rethinks Marx and develops the surplus-value-of-flux, which is the idea that circulation of objects complements their production as the source of value. This is a very important shift since it brings about the needed overhauling of *Marx's theory of surplus-value, according to which surplus-value can only be derived by the direct exploitation of "living labour"*.<sup>91</sup> This shows clearly when Deleuze expands the suffix of surplus-value, he differentiate it even further suggesting the two prefixes *human-* and *machinic-*surplus-value. When value also is given through flow we cannot maintain that only living labour (the human variable capital) is a source. Also general intellect (the machinic constant capital) is facilitating flow. It is no longer viable to claim that only vitality can mastermind value. General intellect as formalized, objectified labour or perhaps even *machinic thinking* is also to be considered a bringer of value. Actually it is interesting to notice how the framework is transformed. For Deleuze the question is no longer just what the *source of value is*, but rather *how value is created*. Obviously this still addresses many of the same phenomena but it is a shift in rhetorics. Surplus-value-of-flux points more to a *how* than a *what* or a *who*.

With Deleuze, Brian Massumi (1956) radicalises the Marxian way of understanding how surplus value must be explained.

Its [the commodity, AK] value is now defined more by the desire it arouses than by the amount of labour that goes into it. This implies the existence, in fact the predominance of a kind of surplus-value that is created in the process of circulation itself.

Brian Massumi, *A user's guide to Capitalism & Schizophrenia*. p. 200.

This remarkable idea shifts the locus of value examinations from the trade-event to phenomena surrounding it. Or as Gorz frames it in more classic economic terms: *Material products finally become vessels for the services sold.*<sup>92</sup> What is the consequence of this? Are we completely indifferent to the source of value as the neo-Classics suggested as long as a *desire is aroused* ? No, we still want to examine *how* this desire is aroused, but we must acknowledge that the source of value no longer exists within the same realm as the original factors of production. When circulation is creating value we are unable to measure input. In fact input/output as understood hitherto breaks down. This disappearance of the of quantifiable input is also what Gorz sees.

The crisis of measurement of labour leads inevitably, to the crisis of the measure of value.<sup>93</sup>

Andre Gorz, *The Immaterial*, p. 36.

Before we move on we shall draw a line back to our discussion of price and value allowing a minor digression. Deleuze proposed the concept of liminal value. We are not interested in his particular merger and instead we shall tweak it a bit. Coining a concept of value based on the philosophical idea of becoming is very appealing. By introducing liminality we evolve a language that takes into account the dynamic and always-becoming quality of value – of that we perceive as valuable. The more static character of *price* enables the invigorating and *glueing* trade and liminality acknowledges that value is always potentially open and never completely fixed. With this powerful idea we now see how the measurement of value is not in a crisis. Rather it is impossible. To measure we must first fix the movement and then find the yardstick. Impossible.

Leaving this small but important comment we shall examine the consequences of the surplus-value-of-flux. When value no longer is afforded through models of input & output and the classical factors of production have lost their hegemonic explanatory power, we shall seek for the value *elsewhere*.

### **Externalities**

The vision of the *Pollen Society* is put forth by French economist Yann Moulier-Boutang (1949), when he seeks to *metaphorize* how the society under the condition of cognitive capitalism will unfold. The basic idea is that the primary mode of value creation is *pollination* – in the 21<sup>st</sup> century value is not mainly centralized and top-down hierarchical. This idea of pollination translates directly into the concept of externalities.

Just like a transaction cost the cost/benefit of externalities is not conveyed through prices and is therefore extremely difficult to economically document. According to Lars Axel Petersen externalities were introduced to close the gap between value and price, a gap the neo-Classics could not understand otherwise.<sup>94</sup> Moulrier-Boutang argues that (cognitive) capitalism of today is characterized by its forceful and ever ongoing quest for bringing these externalities to the center of the economic sphere. He writes:

... außenstehende Ressourcen - so genannte *Externalitäten* - ins Zentrum der Produktionssphäre zu rücken und sie vollständig in die ökonomische - kommerzielle wie nicht kommerzielle - Sphäre zu integrieren [...] Die beiden Leitlinien für die Errichtung eines stabilen Systems des *kognitiven Kapitalismus* bestehen darin a) die Globalisierung mit *positiven Externalitäten* zu verbinden und b) dieser *positiven Externalitäten* habhaft zu werden und sie in Wert - Profit - zu verwandeln.

Yann Moulrier-Boutang, *Marx in Kalifornien*, p. 31

A stable economic system needs 1) to combine globalization and positive externalities and 2) to turn these positive externalities into value – and then profit. With this last claim Moulrier-Boutang is addressing – perhaps unintentionally – the most important relation between value and profit. They are asymmetric! Value is possible without profit but profit is not possible without value. As we discussed it seems unreasonable that parties would engage in a trade-event if nothing valuable was gained from it.<sup>95</sup> Disentangling price and value is *also* about accepting that they both exist in the world of man and therefore cannot but be somehow connected.

In an interview Moulrier-Boutang claims that *money simply flows towards the expected creation center of positive externalities*.<sup>96</sup> He mentions this as a societal favorable phenomenon created by capitalism and exemplifies with immense focus on *CO<sub>2</sub> quotes and general green technology*.<sup>97</sup> This allows Moulrier-Boutang to argue that investors of the 21<sup>st</sup> century tend to prefer investments that create positive societal surplus. But how does this relate to scarcity? Is capitalism no longer in the business of imposing scarcity when the factors of production are *external*? The question of how scarcity relates to value is difficult. It seems obvious that a price (through the empirical rather well proven relation of demand & supply) is heavily influenced by scarcity and abundance accordingly. But value is never in a 1:1 relation with price. And it is a least questionable if a limited supply equals a change in a value perceived. However it can definitely not be excluded that a value perceived is somehow correlated to the level of supply.

Another important lesson learned from Moulrier-Boutang is his idea of *Sphäre zu integrieren*. He emphasizes the importance of examining *what outside means, when something is outside and if an outside is possible* at all. This is very much coupled to Deleuze, with whom we remember that capitalism indeed is *the limit of all societies, insofar as it brings about the decoding of the flows that the other social formations coded*. In this sense externalities is the code of other social formations. Capitalism is not feeding on externalities because it



has sucked dry the *standard* factors of production (land, capital, labour) but because it is capitalism – it feeds on everything giving a return. *It knows no borders*. Capitalism has not fallen in love with philosophy, air, friendship, clean water, laughter or even love itself *because* they are external or free. Nothing is external (and there is no such thing as a free lunch). Capitalism loves these phenomena because it is *within its functionality* to love them. An externality may be *outside* a given corporation but always inside capitalism. Or framed otherwise, I believe Petersen is spot on when he states that *inevitably the surroundings and the conditions play a role in each single transaction*.<sup>98</sup> But how can we incorporate this into economics. Moulier-Boutang suggests that

only a unified concept of immaterial accumulation of knowledge as living activity of the brain connected in digital networks can explain global productivity and the development of new profitable activities.<sup>99</sup>

Yann Moulier-Boutang, *Cognitive Capitalism and Entrepreneurship*, p. 19.

Due to the complexity of an economics with no trivial relation to input and factors of production, we are losing track of the source of value and according to Moulier-Boutang the only way to regain this is to develop a *unified concept of accumulation of knowledge as living activity of the brain*. Inspired by Tarde Lazzarato develops such a unified concept which he calls *cooperations of the minds*:

This cooperation produces public, collective or common goods: knowledge, language, science, culture, art, information, forms of life, relations with oneself, others and world etc.

Maurizio Lazzarato, *From Capital-Labour to Capital-Life*, p. 199.

This cooperation between subjectivities becomes the primary source of value. Not because the original factors of production are completely disinterested from the value perceived. Not because material conditions like land or machines (objectified capital) are without any impact. But because *subjectivity* is the only way of framing that it has become the subject with all his life-world luggage, his convictions, his values and his skills that is the source of value without tumbling back into an extinct Marxian labour theory of value. With Marx and Negri we could say that work no longer is just formally subsumed but *really subsumed*.<sup>100</sup> With Moulier-Boutang and Gorz we could say that capitalism has nominated subjectivity *the ultimate externality*. Actually Gorz says it himself:

What companies regard as “their” human capital is, therefore, a free resource, an “externality” that produced itself and continues to produce itself, while companies merely tap into and channel its capacity to *produce itself*.

Andre Gorz, *The Immaterial*, p. 11.

Danish philosopher Martin Fuglsang continues:

In short work has become essential for the expression of subjectivity and subjectivity has

become significant for working. [my translation, AK]

Martin Fuglsang, *Om kritik i den kognitive kapitalismes cirkulation*, p. 2.

and Virno makes sure that we understand the importance.

When 'the product is inseparable from the act of producing', this act calls into question the personhood of the one who performs the work, and above all, the relation of this personhood to that of the one who has commissioned the work or for who it is being done.

Paolo Virno, *A grammar of the Multitude*, p. 68.

These quotations stipulate that a language seeking to grasp the source of value *must* examine the intricate relations between production, consumption, subjectivity, value and values. Now it is personal.

### **§3 A life-world of value**

So far we have addressed the concept of value within what we have named *the economic sphere*. This deliberate choice was made in order to keep focus and not confuse our conceptual examination. In the very beginning of this thesis I argued that one of the ambitions was to unify two parallel worlds, or as I wrote, *to insist on a connectedness*. This is not just a blind goose chase – via our search for the source of value this thesis has recognized the necessity for an examination of how subjectivity is linked to value. Furthermore it is supported by the insights delivered by Aristotle, the scholastics, Nietzsche and Deleuze: it is both necessary, productive and stimulating to examine how this life-world of man is merging with the economic sphere, rendering both concepts somewhat antiquated.

For Aristotle economics and life-world were two parts of the same – or rather economics was a part of the life world we so far have called Polis. Through history, through the last almost than 2500 years they have become increasingly separated. Suddenly – at least in this timeframe – they are becoming integrated again. This make you wonder: is this a asymmetric, perverted integration, a hostile take over. Or can we address it in an affirmative manner?

Let us again draw on Arvidssons *socially recognized importance*. So value is that which in society is deemed worthy or important enough to somehow crystallize or stand out. This definition can contain both humans, ideas, concepts, trade-events, relations, subjectivities. Aristotle argues that scarcity can be addressed by reducing consumption, by changing human attitudes and consumption patterns. How? Through Polis as a social ontological phenomenon. Nietzsche provides the ambiguous yet elegant comment that *life itself evaluates through us when we establish values*.

With Deleuze, Gorz and Moulier-Boutang we discarded the material product as the centre of a value theory. Instead we must now unfold the production of subjectivity in order to enhance our understanding of how value comes to be. We must examine how subjectivity is related to the social, if we are to embrace

Arvidsson's definition completely.

### **Production, consumption and creation of worlds**

In modern economics both production and consumption is related to value. In society the total added value is measured in the Gross National Product (GNP), whereas microeconomic value since the marginal revolution focuses on the consumers utility as a measure of value. So value creation gravitates around the sphere of production, which translates 1:1 to the working sphere, whereas the value consumption gravitates around leisure time: when the worker leaves the factory, he can start consuming goods. A product is consumed and new products has to be created. This is how modern economics understand the two concepts and it is archaic.

Marx realized this almost 150 years ago and pointed out in *Grundrisse*, that *production is also immediately consumption*<sup>101</sup>. Devoting a chapter to the interesting conceptual pair, Marx advances two other concepts, *productive consumption* and *consumptive production*. He elaborates on their mutual dependence:

Without production, no consumption: but also, without consumption, no production; since production would then be purposeless. Consumption produces production in a double way [1] because a product becomes a real product only by being consumed... and [2] because consumption creates the need for new production.

Karl Marx, *Grundrisse*, p. 91.

In many ways – especially in *Grundrisse/Fragments on Machines* - Marx is writing ahead of his time. But we must remember one thing: Marx's political thoughts were dominated by his historical *materialism* and in the quotation above it clearly shows, how he most firmly believed in the commodity as the cornerstone of economic analysis and therefore also the cornerstone of his value theory. But the demarcation is collapsing. Before we can propose a terminology we shall see how primarily Virno and Lazzarato understands the coherence between production, subjectivity, sociality and value. According to Lazzarato the enterprise produces the world in which subjects and objects (trade-events) exists – this is not to be understood in a literal, material sense.

first of all the enterprise does not create its objects (goods) but the world within which the object exists. And, secondly, the enterprise does not create its subjects (workers and consumers) but the world in which the subject exists.

Maurizio Lazzarato, *From Capital Labour to Capital Life*, p. 188.

Influenced by Deleuze Lazzarato bids us to focus on the creation of worlds. I think Lazzarato may be slightly too emblematic, when he states that the enterprise does not create its subjects (workers and consumers), but if the interpretation is that the enterprise produces workers and consumers *through the creation of worlds* is a valid interpretation I accept his statement. In order to create profit enterprises must create platforms for

subjectivity to unfold in and produce *more* subjectivity. Platforms for becoming. These *worlds* are not a guarantee for profit (let alone value), but according to Lazzarato they are a prerequisite. But subjectivity is not controllable. It is not only produced by the enterprise but also producing the enterprise. Virno continues

The dependency is personal in two senses of the word: in the world of labor one depends on this person or on that person, not on the rules endowed with anonymous coercive power; moreover, it is the whole person who is subdued, the person's basic communicative and cognitive habits.”

Paolo Virno, *A Grammar of the Multitude*, p. 41.

The enterprise depends on human subjectivity. It depends on *communicative and cognitive habits*. On subjectivity. His values? It does not seem unreasonable to suggest this connection: that values are a significant part of subjectivity.

### **Individuation & value**

So far we have defined value as something social, so if the affinity between subjectivity, values and value is to be plausible and appropriate, we must be able to root subjectivity socially. That is, we must be able to see subjectivity as something more than *just* self-produced or produced by other subjectivities (remembering the important distinction between the people and multitude, the social is not constituted by relations or communication between individuals but has *its own ontology*). For this we shall call on the concept of individuation.<sup>102</sup>

When we speak of a process, or a principle, of individuation, we should keep clearly in mind what precedes individuation itself. This has to do, first of all, with a pre-individual reality, that is to say, something common, universal and undifferentiated. The process which produces singularity has a non-individual, pre-individual incipit. Singularity takes its roots in its opposite, comes out of something that lies at its antipodes.

Paolo Virno, *A Grammar of the Multitude*, p. 76.

Subjectivity is the always-becoming process of individuation, i.e. the “result” of something pre-individual and collective meeting the singular. *But what are the components of the pre-individual reality which is at the foundation of individuation?*<sup>103</sup> Not surprisingly it is *body and language*, but what is interesting is that also the mode of production is pre-individual.

The prevailing relation of production is pre-individual. Thus we face also a pre-individual reality which is essentially historical. [...] The entire realm of productive forces is pre-individual [...] It is the general intellect, the general, objective, external intellect. The contemporary multitude is composed of individualized individuals, who have behind them also this pre-individual reality.

Subjectivity is co-defined by the historical forces of production. This is why putting that which is common to work, *renders the impersonal technical division of labour spurious, but also induces a viscid personalisation of individuation*.<sup>104</sup> We have grounded subjectivity socially and historically. But we must remember that subjectivity not just is the result of abstract meetings between singularity, language, body and historical relations of production – this process is also very concrete, which Massumi shows us. Inspired by surplus-value-of-flux, Massumi develops his idea of production of subjectivity. Imagine something *flowing* in capital circulation. This flow will continue but whenever surplus-value is extracted through the act of trade, *an evanescent double of what accrues to the capitalist is deposited in the hand of the consumer*.<sup>105</sup> Massumi calls this double *Ghost Surplus Value*.

This Ghost Surplus Value has a noncapital form; it is even reminiscent of pre-capitalist surplus-value. It is more on the order of a prestige, an “aura”-style, “cool”, the glow of self-worth, “personality”. [...] the Ghost Surplus Value, like the capitalist surplus-value as a means of investment, is reinserted into states of things and begins to produce its own effects [...] The two-sidedness of surplus-value accounts for the “schizophrenia” of postmodernity: the flowering of desire in play and experimentation, side by side with enormously widening social inequality and constant reminders of economic exploitation of the grimmest sort.

Brian Massumi, *A User's guide to Capitalism and Schizophrenia*, p. 201.

For Massumi (Deleuze) subjectivity is affected through spillover effects from the flux. Surplus-value is accountable for profit *and* for subjectivity. Although this is rather non-operational, we now have a language for understanding how surplus-value both produce subjectivity and economic profit. How it has the potential to both hamper and enable new forms of life. But it is retrospective – we can never know how this “schizophrenia” will express itself.

Let us attempt a terminology. Subjectivity is both the recipient of value and a source of value. But when Fuglsang proclaims that *subjectivity becomes both the cause and effect of production*<sup>106</sup> we are not further enlightened regarding value. Instead we must ask: *how is this subjectivity?* Furthermore we must be very careful using the words *production* and *consumption* in this context. They served the purpose well when we examined the trade-event, but when framing subjectivity they become somehow *altmodisch* or even redundant. Subjectivity is the result of subjectivity. And the result of individuation. But with Massumi it is also the *immaterial gross product* of surplus-value-of-flux.<sup>107</sup> The process of individuation adds the social (pre-individual) dimension to subjectivity and therefore value is exactly what happens when subjectivity is recognizing something as important. Value and values are connected through subjectivity. In a sense value is when there is *coherence*<sup>108</sup> between your values and the object of your immediate attention. The concept of liminal value is a consequence of subjectivity being continuously influenced through individuation. No isolated intellect, no emancipated and non-social person of autonomy can evaluate, deem worthy or

recognise importance. Because no such person exist! As the last part of this reassembling of the concept of value, we shall move away from the abstract discussion of subjectivity seeking instead to frame subjectivity in somewhat more concrete manner.

### **Virtues & Modes of production**

We have established a connection between value and values through subjectivity. If we frame values as the Aristotelean virtues we are able to discuss the virtuoso as a conveyer of value in capitalism. In the virtuoso we find a way of combining the visions of Aristotle and Deleuze – and strengthen the need for Schumpeter. Let us examine how Virno – with Aristotle – understands the workers of contemporary society.<sup>109</sup> Here is Virno on the *virtuoso*.

What defines the activity of virtuosos [...] First of all, theirs is *an activity which finds its own fulfillment in itself* without objectifying itself into an end product, without settling into a “finished product” [...] Secondly, it is *an activity which requires the presence of others*, which exists only in the presence of an audience

Paolo Virno, *A Grammar of the Multitude*, p. 52

Remembering chapter five we immediately see the Aristotelean inspiration. Before we elaborate here is Virno again:

For while making has an end other than itself, action cannot; for good action itself is its end

Paolo Virno, *A Grammar of the Multitude*, p. 52

Virno assumes the Aristotelean idea of the activity as that which we must deem the most valuable – the final good as something that has no end product! As Virno also notes subjectivity is also without end product. This idea of the virtuoso is in stark contrast to the Schumpeterian entrepreneur as the one who *get things done*. We saw how the entrepreneur creates value *through the will to conquer, through the joy of creating and of getting things done*. Let us examine how the virtuoso creates.

Of course, even virtuosic performances can, in principle, produce surplus-value: the activity of the dancer, of the pianist, etc., if organized in a capitalistic fashion, can be a source of profit. [...] In Post-Fordism, those who produce surplus-value behave – from the structural point of view, of course – like the pianists, the dancers, etc

Paolo Virno, *A Grammar of the Multitude*, p. 54ff

So the virtuoso can be the source of profit if orchestrated accordingly. This seems reasonable. Value is the source of profit even if the connection is *blackboxed*. However this thesis is not prepared to give up on the entrepreneur as someone *actually producing an end product* – and so it seems we have two different kinds of workers. Let us frame this another way: the entrepreneur and the virtuoso are ideal types, or even better,

we can never say that a given individual is an entrepreneur *or* a virtuoso, but rather that they are different modes of production virtually existing in every subjectivity. Unlike Virno I think it is a bit too *easy* – or reducing – to say that *those who produce surplus-value behave like the pianists, the dancers etc.* Through their subjectivity humans have the ability to create and perceive value and when we introduce these two modes of production we can expand our language. We can never relate value entirely to one of these modes, but perhaps we can say – with inspiration from Massumi's idea of the *evanescent double product of the flux* – that the entrepreneurial mode is *getting things done* and the virtuous mode is creating subjectivity. Forever entangled.

We must also address the other feature of the virtuoso. Virno claims that virtuosity never is the possibility of isolated individuals – it requires an audience. It requires someone to hear you, to see you, to witness. The virtuoso is always social. Value as socially recognized importance. Again we see how nothing is isolated. How value creation – through virtuosity – is routed in a social existence. The two features of the virtuoso are interrelated. Because the virtuous mode of production lacks the end product it needs an audience. No object is created and finalized and therefore some must witness the virtuous activity. This is exactly why the virtuous mode of production always is political (in the Aristotelean sense).

As we have seen virtues are the foundation of Aristotle's ethics and the reason for believing in the Polis phenomenon. Virtues are not just abstract pointers like *justice* or *fairness* and they are also not just mundane guidelines. Virtues is learning about the good life through living (the good) life. It is abstract and not-abstract at the same time containing both a vision and a strategy. Fogh Kirkeby nails it with his Thomas Aquinas paraphrase, where virtue *is the middle ground between having [a virtue] and being had [by the virtue]*.<sup>110</sup> One cannot *own* a virtue or pervert it single-handedly. The object is not to study virtues in their particularity<sup>111</sup>, but rather to frame virtuosity as a subset of subjectivity that affords a political normativity. By framing values as virtues we underline their pre-individual reality and this afford the possibility for engaging in Deleuzian ethics. To be able to evaluate capitalism and to examine how new forms of life are possible.

## 7) Final remarks

In this thesis we aimed to examine how the concept of value can be understood today. We immersed into history of philosophy and economy in order to be enlightened and to prepare ourselves. Intensive readings of Aristotle, Smith, Ricardo, Marx, Nietzsche, Schumpeter and Deleuze let us to propose three major challenges that had to be somehow addressed if the concept of value should survive the attempt on its life.

First we saw how the age of valorization had twisted the relationship between price and value and in order to save both – primarily value – we proposed a disentanglement. We are never arguing that price and value are completely disinterested but rather that their internal relation is *blackboxed*.

As the second manoeuvre we aimed at the source of value. Throughout history this has been a topic of brisk discussion and our minor contribution was that the social – as an ontological phenomenon and something more than just relations between individuals – must be remembered when discussion how value comes into being.

The third offender was the complicated relationship between value (from the economic sphere) and values (from the life-word ditto). We have argued that *value is when there is a coherence between values and the immediate object of attention*. Merging the two spheres is still incipient and below we shall see how this demands the developing of a political language of reclaiming.

– – – – –

There are no shortcuts to answering *what is valuable*! We have seen how the “what” question is displaced and in this thesis we have answered what value is with definitions: “Value is good”, “Value is perceived” and “Value is socially recognized importance”. Here we must remember not to evaluate this socially recognized importance in a *price* realm. Paraphrasing Gorz we could say that *value never is evaluated by asking what it is worth, but how it is worth?*<sup>112</sup> Simplifying for the sake of understanding we could say that *price* exists in the land of numbers & comparability, value in the land of words & semantics. Incommensurable yet connected.

There are no shortcuts to answering *what is valuable*. However now we shall give a *framing of value*: Value is good and perceived. This *goodness* and *perceivedness* are social ontologically rooted, because subjectivity is constituted through individuation. With Deleuze value is that which enables life and new life forms. Value is paradoxically determined as something never measurable yet always evaluable.

Along the way I realized that a language of the concept of value must be political. Remembering my methodology and Nietzsche the surprise is not that my values influence my choice, rendering an objective position impossible. Normativity is so to speak inevitable. I have realized that developing a concept of value



must relate to subjectivity, individuation and virtues. Aristotle did not operate with different spheres but managed to think value within the totality of the Polis. After almost 2500 years of increasing separation we must once again think value not in different spheres but within society – we must bring *Oikos* back to Polis. It is in this sense that the concept of value becomes a political language and never just a shortcut to determining price.

Developing a concept of value must contain a political stance on capitalism. Many pages ago we tentatively defined capitalism as an accumulation system. Is this still the best way of pinning it and if so, what is it accumulating? For Marx capitalism accumulates profit and does so by exploiting the workers. Schumpeter elaborated the Marxian idea of crisis being a fundamental drive that moves capitalism forwards – capitalism is dynamic and always seeking new ways of making profit. Deleuze told us that we cannot condemn capitalism – it functions by decoding making the new possible. According to Moulier-Boutang (and others) capitalism is now *einen Akkumulationssystem, das hauptsächlich auf Wissen beruht. Wissen ist die Hauptressource des Wertes und wird die wichtigste Ressource im Prozess der Wertschöpfung*.<sup>113</sup> For Gorz cognitive capitalism *the crisis of capitalism*<sup>114</sup> since capitalism has undertaken the fatal process of imposing scarcity on knowledge. According to Gorz this will be the downfall of capitalism as we know it, since knowledge will not tolerate this restriction. With Gorz we could perhaps even say that capitalism's quest for bringing externalities to *the centre of production* is the last death spasm of an accumulation system not attuned and soon to collapse into a *knowledge-communism*.<sup>115</sup> This is the landscape.<sup>116</sup>

Whether one believes that capitalism is experiencing a major epistemic crisis that eventually will lead to its demise or one believes in capitalism as the ever-growing all-engulfing accumulation system, the future in both cases seems predestined. This thesis find it hard to believe in the *downfall of capitalism* being just around the corner, or rather, it finds it somehow tedious to keep discussing whether capitalism is on the rise, gaining strength or in the crisis of a lifetime. Not because it is uninteresting and definitely not because the visions of Gorz are unsympathetic. But because it renders subjectivity extremely incapacitated and incompetent. It is remarkable that with all the focus on subjectivity as a creator and recipient of value and even also the most distinguished resource, it is still completely without agency when it comes to handling the *predestined ways of capitalism*. If virtues is to have a meaningful ontology they must be able to influence subjectivity and the world. And there must be room for saying *yes* or *no*. It seems unreasonable if the subject with all its life-world luggage and its values is completely silenced by superstructures.

This thesis finds it futile to discuss whether capitalism is bad or good per se. What is important is to develop a language capable of celebrating or curbing *actual* decoding. We have already claimed that capitalism never was interested in value but rather in profit – polemically we could argue that it was when we fused value and profit we conceived capitalism as it is seen today. We could also argue that capitalism is the logical consequence of market & money. And that the continuing abstraction of the market(place) perverted it. Let us now examine the market.

Through the former chapter we have used the phrase of *something being unacceptably lost to the market* a number of times. Now is time for elaborating. For this thesis the market(place) of the Polis has been an exemplary way of understanding how exchange is necessary for advanced societies to emerge. However price as *reciprocal justice* has become a seriously implausible idea when the market is as abstract as seen today. This does not change the importance of trade / societal exchange. So how can we address this?

First of all – does the market bear the capability of deeming something valuable. The market(place) in polis was a simple relation of communication between individuals therefore not having the ability *recognize social importance*. But through the continuing abstraction it has gained a privileged position as a social ontological phenomenon able to value. This continuing abstraction has opened a back door into the pre-individual realm, allowing the market to interfere in the process of individuation. If we understand the market as a subset of capitalism this abstraction of the market and the corresponding ability to deem something valuable is the prime example of capitalism behaving bad. This coding does not enable new life forms, or rather and much more problematic, this coding ultimately deprives us from evaluating or recognizing new life forms, since this biased market co-constitute our subjectivity. We could also say that even though the market – borrowing a powerful idea from Luhmann – operates with *profit* versus *non-profit* it has somehow realized that value is important for turning in profit. But if we posed the *turing test* of value – *how is it worth* – to the market it would expose it self. The market can never understand value as something more than a possibility for profit, because it is not *equipped* with a subjectivity capable of perceiving value. If value cannot be measured it cannot be accumulated either.

With Deleuze we could say that value is that which enables new lifeforms and therefore we must evaluate this market-conceived value accordingly. If nothing but the hunt for profit is contained in an exchange it is exposed as a market-conceived and perverted value.<sup>117</sup> The potential of such perverted value is immensely disruptive. If the quest for profit alone is what *glues* society together, exploded bubbles or even societal collapses are indeed are possibility.<sup>118</sup> We must reclaim that which does not belong on market – that which was assigned first a value and then a price just for the cause of profitizing. It seems that one way of characterizing our society is that everything eventually ends up on the market and gains a price. If not today then tomorrow. This is why *we* – you and me – need distinctions like *pricing* and *valuation*. For performing Deleuzian ethics. Another could be invention and innovation. Not a romantic dream of something being premarket and untouched, but rather for a language for reclaiming. Obviously we must remember that this not is a holy crusade against *price*, *market* or *profit*. Rather it is about demarcation. It is about curbing concepts before they collapse under their own megalomania. It is about creating a language for engaging.

Having used and evolved Arvidsson's concept of value, it seem appropriate to show how he actually determines a currency for evaluating value. Arvidsson deploys the Greek notion of *philia* – friendship.<sup>119</sup> In many ways this is an exemplary way of framing how value must be evaluated. However we cannot use this concept, because his idea of friendship is a relational property of individuals. *If* we need a currency for value, this currency must acknowledge the becoming nature of value thus transcending any measure.

With Virno we saw how the mode of production is pre-individual and therefore constitutive to subjectivity. With the concept of the entrepreneur and the virtuoso we have established two different modes of production that exist virtually side-by-side. This dual-determination of the mode of production provide a language for understanding how subjectivity is creating. Furthermore these two modes of productions invigorates the answer we can give when asked *how is it worth?* We can relate value to creating through a ratio between two modes of production (the entrepreneurial and the virtuous). These two modes of productions somehow relate to the *flux induced doubling* suggested by Deleuze and unfolded by Massumi without directly translating to them.

When this thesis was undertaken my strategy was that “Marx shall be the diagnosis, Nietzsche the treatment”. As initially argued in the methodology we can never exactly know where we are going and the course has been renegotiated numerous times. Nevertheless it seems not completely out of order to say that this motto is still viable. In Deleuze I found a Marxian terminology combined with the powerful logics of marginalism and garnished with the affirmative thinking of Nietzsche. As already trumpeted the ethics of Deleuze is a major inspiration for this thesis. We need the Nietzschean belief in the individual to say yes and to say no - an individualism that never gets vulgar or neo-Liberal in its expression. We need Nietzsche to know when to bridle the market and when to set it free. Combining Nietzsche and Deleuze, it is indeed tempting to understand capitalism as the new Persian prophet that transvaluates values – the revolter of worlds. Of course the danger is imminent: capitalism is an powerful (decoding) no-sayer, but left alone it is nihilism. Or worse. Capitalism can never be left alone. It must always be surrounded by critical and affirmative philosophy. Capitalism is beyond intentionality and morality – but it is *damned* productive. We – again it is you and me – must be ready to evaluate new lifeforms. We need to be conquistadors who *rides the wild waves of capitalism*, insisting on the distinctions and knowing the differences between value, price and profit. Deleuze empowers the individual and accepts that the manuscript of the world is yet to be written. We can change ourselves, capitalism and the concept of value. Through action and trough language. *By being had.*

Let us return to the understanding of value I gave earlier: *value is when there is coherence between your values (as virtues) and the object of your immediate attention.* We can elaborate this *coherence* by remembering how both subjectivity and value are liminal in their existence. This is the closest this thesis shall come to defining *what value is.* Remembering that an examination of the concept of value always is political we let André Gorz have the last say:

*By expanding the thinkable we expand the possible.*

## Perspectives on future examinations

Throughout this thesis I have encountered many problems, challenges and questions *en route*. Many of them I have addressed continuously, some have been discarded as not relevant and yet others have been deemed *not within the scope of this thesis*. This however does not mean that they are not worthy of further elaboration. Below are interesting perspectives for future examinations. Some are grounded within philosophy and economics, others within different academical fields. Some require case studies, data collection and interviews, others just pen, paper and a desire to engage.

- How the *mass* produces & consumes value. The concept of mass relates differently to concepts like subjectivity and individuation. Mass versus multitude. Important thinkers are Elias Canneti, Karl Marx, Peter Sloterdijk and Ernesto Laclau.
- Value inscribed in bodies. The phenomenological body as carrier of context and value. Important thinkers are Maurice Merleau-Ponty.
- How is value and aesthetics coupled. Can art – as an utopia, as a orthogonal to capitalism, as a prism – provide insights about value and value creation. Important thinkers are Brian Massumi and Jacques Rancière.
- Value creation and the possibility of a basic income. Value versus working/labour. Important thinkers are Karl Marx and Andre Gorz.
- How is gift economy and value interwoven. Important thinkers are Marcell Mauss and George Bataille.
- Affect as value creation. Important thinkers are Baruch Spinoza, Gilles Deleuze, Brian Massumi and Antonio Negri.
- Value in the age of abundance *and* scarcity. Thinkers are Karl Marx, Andre Gorz and Yann Moulier-Boutang.
- Value & property rights. Important thinkers are John Locke, Friedrich von Hayek and Andre Gorz.
- Actor-Network Theory. Objects, trade-events or commodities performing value. Actants with agency but no intentionality. Important thinkers are Gilles Deleuze and Bruno Latour.
- Values and technologies. Important thinkers are Gernot Böhme and Martin Heidegger.

## 8) List of references

Adorno, Theodor W	<b>Negative Dialectics</b> Suhrkamp Verlag	1997	(1966)
Aristotle	<b>The Nicomachean Ethics</b> <a href="http://www.constitution.org/ari/">http://www.constitution.org/ari/</a>		(~350 BC)
Aristotle	<b>Politics</b> <a href="http://www.constitution.org/ari/">http://www.constitution.org/ari/</a>		(~350 BC)
Arvidsson, Adam	<b>The ethical economy</b> Capital & Class	2009	
Deleuze, Gilles	<b>Nietzsche and Philosophy</b> The Cromwell Press	2002	(1962)
Deleuze, Gilles & Guattari, Felix	<b>Anti-Oedipus</b> University of Minnesota Press	2000	(1972)
Deleuze, Gilles & Guattari, Felix	<b>A Thousand Plateaus</b> University of Minnesota Press	2005	(1980)
Fastrup, Niels	<b>Kapitalismen vakler</b> in Social Kritik, nr. 106	2006	
Foucault, Michel	<b>Intellectuals and Power (conversation w. Gilles Deleuze)</b> in Language, Counter-Memory, Practice Ithaca: Cornell University Press	1977	
Frank, Robert H.	<b>Microeconomics and Behaviour</b> McGraw-Hill	2000	
Fuglsang, Martin	<b>Critique &amp; Resistance</b> in Philosophy and Organization Routledge	2007	
Gorz, André	<b>The Immaterial</b> Seagull Books	2010	(2003)
Hardt, Michael & Negri, Antonio	<b>Commonwealth</b> Harvard University Press	2009	
Huizinga, Johan	<b>Homo Ludens</b> Beacon Press	1955	
Kirkeby, Ole Fogh	<b>Ledelsesfilosofi – et radikalt normativt perspektiv</b> Samfundslitteratur	1998	
Korsgaard, Christine M	<b>Aristotle and Kant on the Source of Value</b> in Ethics vol 96 University of Chicago Press	1986	
Kristensen, Jens Erik & Nepper Larsen, Steen	<b>Økonomiens metamorfoser og kapitalismens hamskifte</b> i Kritik 190, Gyldendal	2008	
Landreth, Harry & Collander, David C	<b>History of Economic Thought, 4<sup>th</sup> edition</b> Houghton Mifflin Company	2002	
Lazzarato, Maurizio	<b>From Capital Labour to Capital Life</b> in Ephemera	2004	
Lazzarato, Maurizio	<b>General Intellect – towards an inquiry into Immaterial Labour</b> Common Sense	2004	

Lyotard, Jean François	<b><i>The Postmodern Condition: A Report on Knowledge</i></b> Manchester University Press	1986	(1979)
Marshall, Alfred	<b><i>Principles of Economics</i></b> London: Macmillian	1948	(1890)
Marx, Karl	<b><i>Grundrisse</i></b> Penguin Books	1993	(1939)
Marx, Karl	<b><i>Capital vol. I</i></b> <a href="http://www.marxists.org">http://www.marxists.org</a>		(1867)
Marx, Karl	<b><i>Capital vol. III</i></b> <a href="http://www.marxists.org">http://www.marxists.org</a>		(1894)
Marx, Karl	<b><i>Wage Labour and Capital</i></b> <a href="http://www.marxists.org">http://www.marxists.org</a>		(1847)
Marx, Karl & Friedrich, Engels	<b><i>Communist Manifesto</i></b> <a href="http://www.marxists.org">http://www.marxists.org</a>		(1848)
Massumi, Brian	<b><i>A user's guide to Capitalism and Schizophrenia</i></b> MIT press	1992	
Moulier-Boutang, Yann	<b><i>Cognitive Capitalism and Entrepreneurship</i></b> paper: Conference on Capitalism and Entrepreneurship <a href="http://www.economyandsociety.org/">http://www.economyandsociety.org/</a>	2007	
Moulier-Boutang, Yann	<b><i>Marx in Kalifornien</i></b> Aus Politik und Zeitgeschichte	2001	
Moulier-Boutang, Yann	<b><i>Visionen om et Pollensamfund</i></b> in Turbulens. 1. udgave	2009	
Nepper Larsen, Steen	<b><i>Sproget er ikke kun et redskab</i></b> Dansklærerforeningens Forlag	2009	
Nepper Larsen, Steen	<b><i>Kategoriale tydninger af den kognitive kapitalisme</i></b> Gnosis, DPU, Århus Universitet	2008	
Nietzsche, Friedrich	<b><i>The Antichrist</i></b> <a href="http://www.Feedbooks.com">www.Feedbooks.com</a>		(1888)
Nietzsche, Friedrich	<b><i>The Gay Science</i></b> Cambridge University Press	2001	(1882)
Nietzsche, Friedrich	<b><i>Thus Spoke Zarathustra</i></b> <a href="http://philosophy.eserver.org/">http://philosophy.eserver.org/</a>		(1885)
Nietzsche, Friedrich	<b><i>Twilight of the Idols</i></b> Penguin Books	2003	(1888)
Negri, Antonio	<b><i>Value and Affect</i></b> <a href="http://www.generation-online.org/">http://www.generation-online.org/</a>	1999	
Negri, Antonio	<b><i>The Politics of Subversion</i></b> Cambridge Press	1989	
Parr, Adrian et all	<b><i>The Deleuze Dictionary</i></b> Edinburgh University Press	2005	
Petersen, Lars Axel	<b><i>Bibemærkninger til den kognitive kapitalisme</i></b> in Turbulens, 1. udgave	2009	
Ricardo, David	<b><i>Principles</i></b> Batoche Books	2001	(1817)
Ricardo, David	<b><i>Absolute Value and Exchange Value</i></b>		

	<a href="http://oll.libertyfund.org/">http://oll.libertyfund.org/</a>	(1815)
Rafnsøe, Sverre	<b>Filosofisk Æstetik – Jagten på den svigefulde sandhed</b> Museum Tusulanums Forlag	1996
Smith, Adam	<b>The Wealth of Nations</b> Bantam Dell	2003 (1776)
Schumpeter, Joseph A.	<b>Capitalism, Socialism and Democracy</b> Harper & Row	1976 (1942)
Schumpeter, Joseph A	<b>On the Concept of Social Value</b> Quarterly Journal of Economics, vol 23	1908-09
Schumpeter, Joseph A	<b>Theory of Economic Development</b> Oxford University Press	1969 (1934)
Orwell, George	<b>Nineteen Eighty-Four</b> Secker & Warburg	1949
Virno, Paolo	<b>General Intellect</b> Lessico Postfordista	2001
Virno, Paolo	<b>A grammar of the Multitude</b> Semiotexte	2004
Vercellone, Carlo	<b>From Formal Subsumption to General Intellect: elements for a Marxist Reading of Thesis of Cognitive Capitalism</b> Historical Materialism 15	2007

- 1 Danish cultural ministry has established a commission whose mission is to *contribute to an open and public debate on positive values in Danish society* and continues with the methodological interesting intention: *The work must be organized so that the population's values and opinions is reflected. The commission must not, however, in this work advocate specific values.* Applying philosophical terms the goal is descriptive rather than normative. Being commissioned by Danish government it remains to be seen how the output can avoid being at least somewhat normative / political.  
See <http://kum.dk/Nyheder-og-Presse/Pressemeddelelser/2011/Februar/Vardikommissionen-er-nedsat/>
- 2 See [http://en.wikipedia.org/wiki/High\\_value\\_products](http://en.wikipedia.org/wiki/High_value_products)
- 3 The example of Danish IT company *Navision* shall illuminate: in 2002 it was sold to Microsoft for the net sum of 11 billions Danish kroner, which almost over night made the rather small group of owners and investor, multi-billionaires. See Danish site: <http://crn.dk/nyheder/navision-solgt-for-11-milliarder-kroner-1.21132.html>
- 4 Translation [AK] of the Danish: *af, hvordan noget vurderes kvalitativt eller kvantitativt, og samtidig en betegnelse for det, der bør fastholdes eller virkeliggøres. Værdi og værdier er ord, der i dagligsproget og i videnskabelige sammenhænge anvendes på måder, der ikke umiddelbart synes at have noget tilfælles.*  
(Den Store Danske Encyklopædi, "Værdi" available at: [http://www.denstoredanske.dk/Samfund\\_jur4\)a\\_og\\_politik/Filosofi/Filosofiske\\_begreber\\_og\\_fagudtryk/v%C3%A6rdi](http://www.denstoredanske.dk/Samfund_jur4)a_og_politik/Filosofi/Filosofiske_begreber_og_fagudtryk/v%C3%A6rdi)
- 5 This ambiguity points to (without translating to) the Is-ought problem first described by Scottish philosopher David Hume (1711-1776), where he notes, that one cannot make claims about what something ought to be, based on what it is. The validity of this claim is still much debated. It is closely related to the *naturalistic fallacy*.
- 6 Encyclopaedia Britannica Online, Academic Edition, available at: <http://www.britannica.com/bps/search?query=Value>
- 7 See fx Landreth & Collander, 2002, p. 3.
- 8 See [http://en.wikipedia.org/wiki/Giffen\\_good](http://en.wikipedia.org/wiki/Giffen_good)
- 9 See [http://en.wikipedia.org/wiki/Veblen\\_good](http://en.wikipedia.org/wiki/Veblen_good)
- 10 See [http://en.wikipedia.org/wiki/Bandwagon\\_effect](http://en.wikipedia.org/wiki/Bandwagon_effect)
- 11 In the social philosophy of Baruch Spinoza (1632-1677), society is determined as the many, the multitude, being many. This is opposed to Thomas Hobbes' (1588-1679) idea of society being comprised of the people, a collection of individuals. For elaboration, see Virno, 2004, p. 7ff.
- 12 Economics as a social science is build around the concept of scarcity: *By claiming that individuals desires to consume more goods and services than available a condition of relative scarcity is created.* (paraphrased from Landreth & Colander 2002, p. 1.) The assumption that resources are limited whereas wants are unlimited and insatiable was in fact already touched upon by ancient Greek poet Hesiod in *Works and Days* and with the formation of the neo-Classical regime (which is arguably still the dominant programme) the relation between scarce means and alternative uses is identified as the first and foremost challenge of (micro)economics and basic human behaviour.
- 13 See Kristensen & Nepper Larsen 2008
- 14 In a sense this *is* a liberating practice, showing that the word is *used before it is a concept*, and the challenge is to develop a precise *practice of speaking*. A practice that is both stimulating and dynamic without being restricting and counter-productive. This is a point we shall unfold in the methodology chapter.
- 15 This subsection is based on the online etymological dictionary available at [www.etymonline.com](http://www.etymonline.com)
- 16 When scrutinizing Aristotle we shall examine how the Ancient Greek understood value.
- 17 The sub-discipline of econometrics is defined as the discipline concerned with the development of economic science applying mathematics and statistics. As we shall see the rise of marginalism can be considered the birth of this discipline that for many has become the *brains* of economics.
- 18 Not to be confused with *no direction*. The theme is heavily anchored around the concept of value.
- 19 My translation of Fogh Kirkeby. Available in danish here: <http://www.cbs.dk/content/download/56078/780893/file/OFK%20-%20Hvad%20er%20ledelsesfilosofi%2009022007.pps>
- 20 See Orwell, George, 1949
- 21 See Adorno, Theodor W, 1970
- 22 Translation [AK] of the Danish: *Stærke sætninger indeholder ord og vendinger, der ikke emmer af klichéer og døde metaforer. Det er simpelthen en vedvarende udfordring at søge at lære både at tænke på og at tale et sprog, der gør ens liv værdigt.*  
From Nepper Larsen et al, 2009, p. 43.
- 23 Perhaps it is a bit unfair to give Lyotard all the honour for introducing postmodernity (Lyotard, 1979). The fact of the matter is that – standing on the shoulders of other giants – Lyotard's name has been closely linked with the broad introduction of notion of postmodernity.
- 24 Even though this seems to be the case at CBS, cand.merc.fil, where the thesis manual has numerous formulations like: "If your thesis is empirical there must be consistency between data and theory".  
See <https://e-campus.dk/portal/pls/portal/docs/1/274072.PDF> (danish)
- 25 The seasoned and critical Deleuze reader would perhaps – and this would be somewhat reasonable – object to his emphasis on the performative act instead of the *truth* as a goal. This is not the place for a complete discussion of truth versus productivity, but to the particularly concerned reader I recommend Alain Badiou's "We need a Popular



- Discipline” (Critical Inquiry 34, 2008) in which he discuss how Plato's concept of *truth* can be *productive*. Even under Badiou's *conditions of the postmodern*.
- 26 See Parr et al, 2005, p. 205.
- 27 I am inspired by the Kantian tradition of examining a given concept's (here value) area of validity as well as the affirmative practice performed by Gilles Deleuze.
- 28 See <http://www.spikemagazine.com/1102paulauster.php>
- 29 In his *End of History and the Last Man*, Francis Fukuyama proclaims that the fight between ideologies are over – and the end state is a liberal democracy with a capitalistic market economy. Luckily this is not true. If it was true, the future of the world be grim. Of course this serves to say that ideology critique is never over – and the need for such critique is urgent when an ideology tries to veil itself behind rhetorics like those of Fukuyama.
- 30 Aristotle writes within the Polis-tradition, where every thought is related to the maintenance and development of the city-state. In this manner Aristotle thinks before the separation into different regimes/rationalities (e.g. philosophy and economy).
- 31 See Korsgaard 1986, p. 495.
- 32 Opposed by theoretical philosophy consisting of metaphysics, logics and physics.
- 33 See Landreth & Collander 2002, p. 32.
- 34 Basically the *transformation problem* is concerned with causality between *value* and *price*.
- 35 Although it is often seen as implicit (or perhaps even unconscious) assumptions.
- 36 Not necessarily intentionally or actively, but rather through practice and habits.
- 37 See [http://en.wikipedia.org/wiki/Fair\\_value](http://en.wikipedia.org/wiki/Fair_value)
- 38 Inspired by Michael Hardt & Antonio Negri, who in *Commonwealth* ventilates the need for a tableau *that traces the production, circulation, and expropriation of value in the biopolitical economy*. Hardt & Negri, 2009, p. 286-287.
- 39 The complete title is: *An Inquiry into the Nature and Causes of the Wealth of Nations* from 1776. His other – and not so well known work – is the ethical treatise *The Theory of Moral Sentiments* from 1759.
- 40 Through a metaphor of gravitation eventually pulling two bodies rotating around each other together. This metaphor is of course heavily inspired by the then recent breakthrough of Newtonian mechanics. The concepts of *natural* and *market* price are originally coined by William Petty (1623-1687)
- 41 It is generally agreed upon, that ”The Wealth of Nations” provides inconsistencies on this matter. The mainstream conclusion seems however to be, that long run prices only/primarily depend upon supply. See Landreth & Collander 2002, p. 9
- 42 The complete title is: *Principles of Political Economy and Taxation*
- 43 Available at: [http://oll.libertyfund.org/?option=com\\_staticxt&staticfile=show.php%3Ftitle=205&chapter=38719&layout=html&Itemid=27](http://oll.libertyfund.org/?option=com_staticxt&staticfile=show.php%3Ftitle=205&chapter=38719&layout=html&Itemid=27)
- 44 From Ricardo stems the classical understanding of *factors of production*: Land, labour and capital.
- 45 *Socially necessary* in a given state of society, under certain social average conditions or production, with a given social average intensity, and average skill of the labour employed. With this definition Marx determines the value more by societal standards than by individual conditions. By class more than individual.
- 46 This section is based on Marx, 1867, chapter 1, § 1.
- 47 See Marx, 1999, p. 27.
- 48 In economy externalities are costs or gains, applied to persons *outside* the market. Externalities is often also understood as conditions or concepts that exist outside the market. The important thing here, is the idea of an *outside*. With Moulrier-Boutang we shall return to the idea of externalities.
- 49 *Fragments on Machines* is approximately 20 pages around the 700<sup>th</sup> page of *Grundrisse*. To the best of my knowledge, *Fragments on Machines* is not at title given by Marx himself, but only later prescribed.
- 50 Among others Yann Moulrier-Boutang, Carlo Vercellone, Matteo Pasquinelli, Bernard Paulré, Hanno Pahl, Lars Meyer, André Gorz, Wilke Helmut, Steen Nepper-Larsen and Jens Erik Kristensen the thinkers behind the research programme *cognitive capitalism*. It is not a unified and unequivocally defined programme, but the main idea is that capitalism has entered a new stage where knowledge both is the primary resource of production *and* primary constituent of subjectivity and human identity. Other – primarily Italian thinkers – are also interested in understanding knowledge in contemporary economics / society.
- 51 See Virno, 2001, p. 1, available at: <http://www.generation-online.org/p/fpvirno10.htm>
- 52 See Lazzarato, 2004, p. 4, available at: <http://multitudes.samizdat.net/General-intellect>
- 53 See Vercellone, 2007, p. 19.
- 54 Jevons, Menger, Walras and even Marshall. In this thesis I do not dwell on their particularities, but rather view them as the collected whole, who rebels against the labour theory of value. For this thesis the important contribution is that of the marginal utility and not the names connected with it.
- 55 We shall return to this point when discussing the thoughts of Deleuze and even more Virno and Lazzarato.
- 56 Zarathustra/Nietzsche brings forth many themes worth engaging with, but we shall confine ourselves to those most crucial to our thematic
- 57 I have taken the liberty of translating *Superman* back to the original.
- 58 Though it would probably be better to say that for Freud society was a Nietzsche herd-mentality machine: it is well

- known that Freud read and acknowledged Nietzsche as one of greatest thinkers ever to exist.
- 59 Entrepreneurship stems from German *Unternehmergeist*. It questionable if *-ship* bears the same meaning as *-geist*.
- 60 See Schumpeter, 1976, p. 132.
- 61 This is known as Schumpeter's Mark I theory. In his later works Schumpeter complements this with his Mark II theory: The role of the entrepreneurs are overtaken by large businesses and organization, since only these possess the needed resources to invest in *research & development* to get the things done.
- 62 Consumer behaviour is divided into two categories. Functional and non-functional. The non-functional category is furthermore divided into for sub-category: Veblen, Thrift, Snob and Band-wagon. Now is not the time for an complete elaboration on consumer behaviour, but let us just note that the emergence of these sub-categories is a major milestone for institutional economics.
- 63 See Landreth & Collander 2002.
- 64 In the following we shall allow ourselves a minor methodological freedom: naming this sub-section *Deleuze* is somewhat unfair since a good deal of the concepts and ideas discussed are co-developed by Gilles Deleuze and his writing partner Felix Guattari. *Anti-Oedipus* and *A Thousand Plateaus* a written by Deleuze & Guattari.
- 65 Especially his collaboration with Felix Guattari is heavily inspired by Marx.
- 66 See Deleuze, 2002, p. 2.
- 67 See Paar et al, 2005, p. 85.
- 68 In *A Thousand Plateaus* there are no chronologically arranged chapters in an classical sense. Rather each *plateau* can be read on it own and in any given order. Of course words/concepts are reused and rearranged, so a better/more productive understanding emerge when the all of the plateaus are consumed.
- 69 Like for instance *the state, the nuclear family, an organization* or *friendships*.
- 70 As we have seen, this *boundlessness* is of course strongly inspired by Marx's understanding of capital structures.
- 71 Sometimes translated to *surplus value of flow*.
- 72 Just like  $Dy/Dx$  in mathematics is nothing without its function. One cannot find the infinitesimal change (where the difference  $X_2-X_1$  approaches zero) of a function without knowing the function.
- 73 See <http://stuck.josswinn.org/machinic-surplus-value>
- 74 *Liminal concept of value* is coined for this thesis. It is not words Deleuze himself uses.
- 75 Dealing with dense concepts a well known strategy is to institute tactics of bifurcation. Within philosophy one of the most reliable armaments for this strategy is the double yet coherent question of epistemology and ontology: *What is the ontology of value?* and *What is the epistemology of value?* Or in a more straightforward style: What is value versus how (can we think) value? Before running amok, we must however ask one question of paramount importance: Is this a valid reduction? Can we think the one without the other? Can we ask what value is, without asking *for whom? by whom?* Can we address the question of what value is, before we answer how we think value? And what about the other way around? Can we in any way understand what surplus value is and how it comes to be, if we do not have a firm grip of value ("itself"). This thesis is not a factor analysis unveiling the nature and empirical locus of value.
- 76 As we shall realise later this *perceiving through body and language* is what gives perceived value its social embeddedness even though the physical manifestation is the empirical subject.
- 77 As opposed to for example the concept of *growth* which certainly does not contain an maximizing imperative.
- 78 This brings up two interesting combinations:  
The immaterial component of a tangible good is related to storytelling, brand etc.  
The material component of intangible service is about realizing that designing a business slogan always effects and changes the flow in a physical and material world.
- 79 Perhaps it is more informative to think of its sister-concept, which bears a more specific meaning: *de-valorization* (which bears the opposite meaning of what Marx intended for valorization)
- 80 Both pricing and valuation are *known* words. Pricing is a marketing management strategy for choosing the price, whereas *valuation* is a) a financial concept of determining economic "value" of an asset or b) a ethical concept of determining philosophical "value" of an object. In my context the latter connotation is the instructive.
- 81 We are not completely ready to unfold this rather important political stance quite yet – we shall of course return to it when the thesis is ready to elaborate accordingly.
- 82 Following this logic combined with the Marxian argument that humans are also commodities, the conclusion is that humans as such do no have intrinsic value. Let me expand this. When Marx claims that commodities have internal value I believe that he was inspired (or is it *misled*) by his own idea of workers becoming commodities. It seems easier to claim intrinsic commodity value if commodities have been somehow equated to humans. This thesis shall not accept humans as *isolated island in the big sea*.
- 83 We are here reminded of three important concepts of causality: *disinterested, correlated and proportional*, which are extremely important to know and to be able to distinguish between. For this particular matter disinterested would mean that value and price have nothing in common at all and there would be no link whatsoever between them.. Proportional is the opposite, where it is possible to draw a line and predict how one will act given a change in the order. Correlated is that which is in between: we can see or know that there is a connection but the "actual" connection is *blackboxed* and definitely not reducible to numbers. Examples could be that labour (through craftsmanship, intensity or brilliance) can influence value but never determine it.
- 84 See Sloterdijk, "Domestikation des Seins", p. 218. Here quoted from Gorz, 2010, p. 199.

- 85 Of course supply and demand plays a role in pricing and it seems to be a rhetorical or political choice how broad we are to understand these two categories. Another way of engaging this could be through Popper's falsification: Is the supply-demand relationship on the verge of becoming the bible (or even God) for economics. Is it all possible to express any phenomenon regarding price formation that does not either affect supply, demand or both slopes, and therefore can be explained by them? For now we shall settle by noting that the understanding of supply-demand relationship is ever changing and today's stock trading never is the same as yesterday's mechanism of the Persian bazaar, where seller and buyer interacted directly.
- 86 For an in-depth analysis and elaboration on this matter, see for instance the popular *No Logo* (Naomi Klein) or the groundbreaking *Empire* (Michael Hardt & Antonio Negri).
- 87 See Arvidsson, 2009, p. 16.
- 88 Aristotle makes reference to the *final good*, and here we are playing with words: in philosophy the final good is the ultimate reference. That which is good-in-itself, whereas the economic terminology instead refers to the good as it is consumed by the end-user.
- 89 Of course we shall return to this. For now we shall let Negri support the claim: *the theory of a measure of value has then become circular and tautological: there is nothing outside that give it a foundation*. See Negri, 1999, p. 4.
- 90 This is not without consequences. According to Marx it is the immiseration of the proletariat (through exploitation of the worker) that is one of the factors of the built-in crisis of capitalism. A built-in crisis that eventually will result in communism. When abolishing the idea of immiseration of the proletariat, communism is not a given end state.
- 91 See Massumi, 1992, p. 200.
- 92 See Gorz, 2010, p. 73.
- 93 This is the general insight of Moulner-Boutang, Gorz, Negri, Lazzarato, Virno, Rullani etc.
- 94 Paraphrasing Petersen, 2009, p. 140. My translation.
- 95 We shall return to this asymmetric relation when discussing the abstract market.
- 96 See Moulner-Boutang, 2009, p. 9. My translation.
- 97 See Moulner-Boutang, 2009, p. 9.
- 98 See Petersen, 2009, p. 140. My translation.
- 99 See Moulner-Boutang, 2007, p. 19.
- 100A paraphrase over Marx's idea (elaborated by Negri), that the transition from formal subsumption to real subsumption is *the achievement of the subjection by the capitalist mode of production, of the whole society* (Negri, 1989, p. 72). It is no longer just the specific labour power but the entire society which is subsumed production.
- 101See Marx, 1939, p. 90.
- 102My concept of individuation is primarily built with Virno. For this thesis we shall prefer Virno's version, since he allows for building the concept without referring to Spinoza (affect and political-ethics) and Freud (desiring-production). To invite these major theorists onboard now cannot be honoured accordingly. Of course Virno is heavily inspired by Deleuze.
- 103See Virno, 2004, p. 76.
- 104See Virno, 2001, p. 1.
- 105See Massumi, 1992, p. 201.
- 106See Fuglsang, 2007, p. 74.
- 107Massumi paraphrasing Negri. See Massumi, 1992, p. 2001.
- 108With this understanding we can provide a provisional answer to the *chicken or egg* aporia of value: *Are we striving for something because we value that something (objective) or is it the striving that deems the strived-for valuable (subjective)*. Is it the object or the drive in me that is responsible for a valuation? Is it exactly when there is a coherence between the object and the drive (subject) that something is deemed valuable.
- 109Which Virno names post-Fordism or sometimes Toyotism.
- 110See Fogh Kirkeby, 1998, p. 119. My translation, AK
- 111But if it was it would be told with the remarkable Nietzsche inspired Fogh Kirkeby aphorism: *The tale of a value is told by the value itself*. My translation, AK. From the Danish: *Fortællingen om en værdi er fortalt af værdien selv*. Kirkeby, 1998, p. 246.
- 112See Gorz, 2010, p. 37.
- 113Moulner-Boutang in *Politik und Zeitgeschichte*, B. 52-53/2001. Here from Nepper Larsen, 2008, p. 13.
- 114See Gorz 2010, p. 65.
- 115Paraphrasing Nepper Larsen's discussion on Gorz in Nepper Larsen, 2008, p. 151.
- 116This should be nuanced: neo-Liberal market apologists is framing knowledge society as yet another great accomplishment of capitalism's peerless ability to create wealth by incorporating latest innovation and novel resources.
- 117My thoughts are inevitably led to the concepts of finance versus productive capital. With Smith we could think also frame it as productive versus non-productive capital.
- 118Even though framed a bit differently this is exactly Aristotle's point as well.
- 119See Arvidsson, 2009, p. 20