

WHAT IS THE VALUE OF MONEY?

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What a vast topic this can be. Money weaves its way into so many aspects of our personal and communal lives. In this seminar I want to explore from a primarily socio-analytic vertex, what I have called *the value of money*. I have chosen this focus because I am interested in both the *social* value of money (as an ethical concern) as well as the *financial* value (as a resource).

I particularly like the definition of the value of money given by Philip Ball, a freelance science writer and consultant editor to *Nature* magazine:

"One could say that the value of money is an emergent property of the system"¹

The type of questions about value I am considering in the current emergent context, are raised by Sennet: "How do we decide what is of **lasting value** in ourselves in a society which is impatient, which focuses on the immediate moment? How can long-term goals be pursued in an economy devoted to the short-term? How can mutual loyalties and commitments be sustained in institutions which are constantly breaking apart or continually being re-designed? These are the questions about character posed by the new, flexible capitalism." (p.11) I will come back to this notion of flexible capitalism.

By character, Sennet means : "**the ethical value we place on our own desires and on our relations to others ... (it) particularly focuses upon the long-term aspect of our emotional experience...expressed by loyalty and mutual commitment, or through the pursuit of long-term goals or by the practice of delayed gratification for the sake of a future end.**" (p10)

At the outset I want to stress that I have no expertise in economics and do not want to present myself as a claimant to such expertise. Indeed, as John Kenneth Galbraith said recently on the ABC National Radio Series "Money, Markets and the Economy"² "... (the economists') prime interest is how money works. In doing so economists assume money is neutral and erases distinction and simply acts as an intermediary between the buyer and the seller".

¹ Ball, P (2001) **The Nature of Money**, Nature Publishing Group.

² <http://www.abc.net.au/money/vault/programs.htm>

I also want to note the influence of Paul Hoggett (a socio-analytic thinker) and Richard Sennett³ (who comes close to being one!) on my ideas.

In examining these issues I want to offer two hypotheses (the second of which contains a number of implicit hypotheses), for which I hope to provide supporting arguments. I have no doubt that there is a myriad of ways money functions symbolically and in reality in our lives. In this seminar I just want to investigate a few.

My hypotheses are:

1. **Money is a fantasy.**
2. **The institutionalised power of money is currently a defence against rapidly increasing powerlessness and loss of faith in personal and institutional authoritative leadership. (A corollary of this – which I won't address directly - is that money is currently over-valued, to protect us against unpredictability)**

These hypotheses are interlinked and I hope that as I present my arguments, these links will become more developmentally apparent.

In considering these hypotheses the contemporary global background - and in particular world events since September 11 – must be kept in mind, even though the origins of what I am to present here often pre-date this.

Money is a fantasy.

Hoggett suggests that fantasy is a means whereby thought takes us away from the real and from action. “Fantasy can subvert terror by being an act of defiance.... Subversive fantasy is an expression of autonomy”. But it does not alter the social nexus. Fantasy belongs to the realm of ‘impossibility’. “Imagination is the vehicle of hope; fantasy the vehicle despair.” (p13). He asks “How does an individual develop and maintain a sense of “the possible”; a durable conviction that reality can be changed, that the ‘given’ can be subverted? And how do we block ourselves from developing this sense?” (p.11)

In examining the distinction between fantasy and imagination, I refer to Marx's ideas about production which is a useful encapsulation of the process which is not dissimilar from psychoanalytic formulation(cited p17):) “At the end of every labour-process we get a result that already existed in the **imagination** of the labourer at its commencement. “ Marx described four components to the production process

³ Sennett R (1998) **The Corrosion of Character** W W Norton & Co, London

1. Imaginative activity or an idea
2. The 'material' of production
3. A technology or tool
4. Labourer

- **Imaginative activity** occurs within a boundary set by two objects – the idea and the product (the objective and the outcome). Labour is a movement from conception to realisation, from psychic to real.
- **The 'material'** with its own laws and recalcitrance. "Because it imposes constraints upon the realisation of need **and desire, (which I will return to shortly)** it limits our independence and autonomy." (p18)
- **The technology or tool,** a thing or complex of things interposed by the labourer "between himself and the subject of his labour, which serves as the 'conductor' of his activity" (p18)
- **Labourer** – whose capacity to imagine is not to be assumed, but who is the source of the "idea", which according to Marx 'gives the law' to activity.

Hoggett adds that our activity must be something which develops our own possibilities or the organisation in which one participates will feed off the powerlessness of its members. The objects (psychoanalysis adds) is always a combination of our (and collective) projections and part of a shared reality. This includes the object of labour, be it individually or collectively. What if the "object of production" is *money*? (See Gordon Lawrence's comments, later).

Interesting how we use the term to "make money" yet the "making of money" is primarily through the making of other "objects." Indeed is the "making of money" now the primary object of production?

In a world which has become increasingly narcissistic we can recognise the constraints that narcissism imposes on production. The recalcitrance of the material and the technology confront our narcissism in particular ways - we are reminded of our neediness: we need them to realise our idea. This reveals our lack and our dependence upon our environment. It also predicates envy.

Michael Rustin (1991)⁴ makes the point that in more recent Thatcherite times, self-interest has been prioritised over the common social good - " a pervasive process of privatisation and atomisation of social interests" (p146)

⁴ Rustin M (1991) **The Good Society and in the Inner World: Psychoanalysis, Politics and Culture** Verso, London

Hoggett asks (p23) “What if we are unable to relate to the natural world with humility or respect?” He quotes Bion (p24) “the flip-side of envy is arrogance”, that there is nothing beyond oneself. This is the opposite of freedom. One cannot need for the desire is unbearable. Nor can one use objects effectively.

“Such an arrogant and omniscient attitude towards one’s objects is clearly given support by a culture within which money is considered a universal good. Money’s most essential property lies in its promise to overcome all obstacles, therefore it is a denial of the necessary recalcitrance of real objects”. (p25)

Marx spoke of money as the ‘pimp’ between need and object. Need no longer requires realisation through imaginative action. Hoggett uses the literal example of prostitution. The work of courting is obviated; there are no doubts about the recalcitrance of the object; no need for concern about how the other values the buyer – there may be relief in the knowledge that the other values only one’s money; no doubt or chance is involved. No work is required other than that involved in the financial transaction. “Money is indeed a magical thing. Its power of command is so immense that, without it, one is helpless and dependent”. (p25). Need no longer requires realization through imaginative action.

“One may be weak but money provides one with the appearance of strength. When one needs solace money promises to provide comfort. When one is lonely money can provide one with the appearance of companionship. When one feels empty money can provide one with the appearance of mystery. Money promises to transform every weakness, every lack into its opposite. Money is negation. ... Money grants omnipotence. ... Money abolishes the ‘gap’ between need and realization and thereby abolishes the imagination.” (p25)

“Imagination is the vehicle of hope; fantasy the vehicle despair.” (p13).

Robert Young makes similar observations in his description of money as a fetish:⁵

Fetishism is the substitution of something near the real thing for the real thing — the knickers for the vagina which they cover, for example. The fetishist does not feel able to get any closer... Marx spoke of the fetishism of commodities as: the treatment of the relations between people as though they were relations between things... The act of fetishization is the substitution for *our commitment and emotional regard for relations between people* of the relations between things... The fetishism of money is an equally *fantastical* substitution.

Imagination carries two realms: activity based on need and activity based on desire. The distinction between need and desire lies in “freedom from” and “freedom to”. In both, imagination is impelled by absence. To satisfy need, that which is missing is known. To satisfy desire, creativity is required; the creation of something new. This is “to do”. But “to be” is another form of creative engagement. Improvisation is the creative expression of Being. Bion takes psychoanalysis into this arena.

⁵ Young R M (1998) “Some reflections on the dynamics of wealth” Paper delivered to Merseyside Psychotherapy Institute Series on ‘The Mystery of Money’, Liverpool, Study Day on ‘The Construction of Money’. 27 February 1998, <http://human-nature.com/rmyoung/papers/pap106h.html>

I want to consider my second hypotheses and a corollary together:

The institutionalised power of money is currently a defence against rapidly increasing powerlessness and loss of faith in personal and institutional authoritative leadership. (A corollary of this – which I won't address directly - is that the current over-valuing of money, is a social defence which protects us against unpredictability)

To explore ideas associated with this hypothesis I want to turn to the work of Richard Sennett and notion of “flexible capitalism”.

In contrast with the qualities of character I referred to earlier, he describes the new flexible capitalism as having three elements:

In contrast he notes that the new “flexible capitalism” has three elements:

- Discontinuous re-invention of institutions – discontinuous change referring to ruptures which irreversibly alter our lives
- Flexible specialisation of production – getting more varied products ever more quickly into the market, responding rapidly to consumer demand – a strategy of permanent innovation: accommodation to ceaseless change, rather than an effort to control it – letting the shifting demands of the outside world determine the inside structure of institutions. Subordination of the state's bureaucracy to the economy, reducing the governments provision of a safety net. “The operation of flexible production depends on how a society defines **the common good.**” (p55)
- Concentration without centralisation, of power – re-organising an institution top-down into fragments and nodes in a network: “to the economies of inequality the new order thus adds new forms of an unequal, arbitrary power within the organisation” (p55). “The (bureaucratic) structure remains in the forces driving units or individuals to achieve; what is left open is how to do so, and the flexible organisation's top seldom provides the answers” (p56).

However the value of delayed gratification becomes null in a system whose institutions change rapidly, says Sennett; it becomes absurd to work long and hard for an employer who thinks only about selling up and moving on... **ie only about money**

Teamwork – mutual responsiveness rather than personal validation, or an *ethic of the group rather than the individual* - is the work ethic that suits the flexible economy. But in modern management practice ... for the team-leader to “facilitate” a solution or “mediate” between client and team is not a leadership role, but a manager of a process: **authority disappears.** “The repudiation of authority and responsibility ... of flexible teamwork ...structures everyday work life as well as moments of crisis” (and) “frees those in control to shift, adapt, reorganise, without having to justify their acts.” (p115) “...power without authority permits leaders of a team to dominate employees by denying legitimacy to (their) needs and desires” (p115)

“The culture of the new order profoundly disturbs self-organisation. It can divorce flexible experience from static personal ethics...It can divorce easy, superficial

labour from understanding and engagement...It can make the constant taking of risks an exercise in depression... Irreversible change and multiple fragmented activity may be comfortable for the new regime's masters...but it may disorient its servants... masters...who dodge truthful engagement with their servants". (p117)

In a previous AISA seminar I gave on management in the electronic age on some of the consequences of electronic management, I made similar observations:

"The title of that seminar series: " *E-Management? Who is in Charge Today?*" drew attention to the question of where the locus of authority, management and leadership resides or is located or *embodied*? But my observation of organisations today, (and I referred especially to the way the use of electronic communication is emerging) suggests to me that there is an increasing feeling among staff that they do not know who they work for; who is in charge; who is managing; who is making what decisions, and whether today's manager will be there tomorrow. Especially when decisions affect their lives in a personal way. They feel, often, (in all meanings of the phrase) that they have *lost* their heads" ⁶ and:

"I believe that there are significant processes of *distanciation* that operate currently – outside of the awareness or intentionality of the individual. They are, I think, both a consequence of current market forces and processes and act cybernetically or systemically to exacerbate the experience of disembodiment that I think increasingly characterises many dimensions of corporate life today"

Whilst I am no expert at macro-economics, I believe that as Sennet calls it "flexible capitalism", and globalisation, market forces - and other contemporary economic and political influences, have contributed to a terrible loss of engagement. I think it has contributed

- to a literal experience of losing contact with people's "corporeal" and communal connections;
- to a loss of engagement between leaders and the community, between senior management and workers (not that that is especially new – its just far worse and on a bigger scale);
- and to a loss of "self" among managers and workers. By loss of "self", I am speaking in the broadest sense about a number of things that contribute to the sense of self. I mean loss of relationship to the institution; loss of the relationship between perpetrators and sufferers; loss of the connection to the institution itself. I am the last to romanticise and idealise past eras, but there is little doubt that the present one has so far brought with it a very great extent of alienation.

Gordon Lawrence (1995)⁷ extends this argument:

As it is, the manager is, for the most part, pressed into oscillating between the paranoid-schizoid and depressive positions. This is because the advance of

⁶ "Disembodied Managers and their Disembodied Staff: Or, losing your head in the corporate world." Australian Institute of Socio-Analysis Seminar series "E-Management: Whose is charge today? (2000)

⁷ Lawrence W G (1995) "**The Presence of Totalitarian States-of-Mind in Institutions**" Paper read at the inaugural conference on 'Group Relations', of the Institute of Human Relations, Sofia, Bulgaria, 1995. <http://human-nature.com/free-associations/lawren.html>

'destructive' capitalism has been such that the primary tasks of institutions have come to be changed in the last few years. The primary task is the reason for existence, or the work of the institution. As it is, the belief in capitalism has caused managers to think of their institutions as being *to make or save money*. This primary task has supplanted work orientated tasks... The pressure to make and save money presses managers and other role holders into the paranoid-schizoid position whereas a work orientated task holds them in the depressive one because the totality of activities are regarded as a complex whole, having meaning which transcends the simplicity of economics [like the impossibility of fantasy instead of the creativity of imagination]... in the end, I have to believe that we have to understand the oldest of existential puzzles: what it is to be human and what are the ends of being so.

... in the last decade all institutions have moved towards a simplification of their existence to economic survival, thus reflecting the world-wide pervasiveness of capitalist thinking. Capitalism is interpreted narrowly and literally as an end in itself. And, at the same time, alternative economic models have been found wanting. Consequently, as I say in my working hypothesis, role holders in institutions are preoccupied with economic security and survival. ...This gross simplification of human life can be seen as a world wide social system of defence against acknowledging the tragic and taking authority and responsibility for exercising the human ability to discriminate between what is patently good and what is incontrovertibly evil. “

I have presented here a position in support of my central hypotheses. I have argued

- that money has acquired a value as a social defence against fundamental unpredictability and uncertainty which impedes creative thinking in the service of production;
- that in part it does so by supporting fantasy rather than imagination;
- that the immoderate ascription of power to money via the new flexible economy has severely impacted on the exercise of authority for leadership (at a personal and social level) and substituted power for authority;
- that such investment in power – magical and real – reflects the political and economic, but also spiritual and moral crises of these times.

In conclusion – and I take the ironic liberty of using this opportunity to do some marketing – I want to draw your attention to the theme of AISA' s 15th National working conference in April 2002:

Individuals and Organisations in Radically Unpredictable Times: Authority, Leadership and Capital.

This working conference in the socio-analytic and group relations framework is designed for the further exploration of the issues and questions I have raised in this seminar.

Thank you.