Value is an Institution

The Empire of Value, ontology, and the methodology of economics as a social science

Yannick Slade-Caffarel

Honours Thesis: Submitted as partial requirement for the degree of Bachelor of Arts (Languages)(Honours), Political Economy and French Studies, University of Sydney, 16 October 2013.
This work contains no material that has been accepted for the award of another degree or diploma in any university, and to the best of my knowledge and belief, this thesis contains no material previously published or written by another person except where due reference is made in the text of the thesis.
For my grandmothers, Gwen Slade and Claire Cayron
# Contents

**Introduction**.......................................................................................................................... 1  
I. Value is a Substance/Essence ................................................................................................. 1  
II. Definitions .............................................................................................................................. 3  
III. Structure ............................................................................................................................... 5  

**Chapter One: Heterodox Economic Methodology**................................................................. 7  
1.1. Heterodox Economics ......................................................................................................... 7  
1.2. Methodology ...................................................................................................................... 7  
1.3. Heterodox Economic Methodology ................................................................................... 8  
1.4. Orléan and Heterodox Economic Methodology .............................................................. 12  

**Chapter Two: The Empire of Value**...................................................................................... 14  
2.1. Overview ............................................................................................................................ 14  
2.2. Value is an Institution ....................................................................................................... 16  

**Chapter Three: Postmodern Social Ontology**.................................................................... 21  
3.1. Postmodern Reality .......................................................................................................... 21  
3.2. Marx and Ontology ........................................................................................................... 22  
3.3. Postmodern Social Ontology ............................................................................................ 24  
  3.3.1. Durkheim and Institutions .......................................................................................... 24  
  3.3.2. Sartre and Human Beings .......................................................................................... 25  
  3.3.3. Sartre and Social Ontology ....................................................................................... 26  
  3.3.4. Substance/Essence as Reality .................................................................................... 30  
3.4. A Paradigm Shift ................................................................................................................ 32  

**Chapter Four: Social Scientific Methodology**................................................................. 34  
4.1. Social Ontology and Methodology .................................................................................... 34  
4.2. Orléan’s Methodology ...................................................................................................... 35  
  4.2.1. Durkheim: The Scientific Method .............................................................................. 36  
  4.2.2. Sartre: The Regressive-Progressive Method ............................................................... 41  
4.3. Lawson’s Methodology ..................................................................................................... 45  
  4.3.1. Lawson: Retroduction and Contrast Explanation ....................................................... 45  
  4.3.2. Sartre and Lawson ................................................................................................... 49  
4.4. Judging Methodology .......................................................................................................... 51  

**Conclusion** ............................................................................................................................. 53  
**Appendix A**.............................................................................................................................. 55  
**Appendix B** .............................................................................................................................. 71  
**Bibliography**............................................................................................................................... 85
Acknowledgements

I thank my supervisors Bronwyn Winter and Lynne Chester. Furthermore, I am extremely grateful to André Orléan for meeting with me, taking the time to discuss my ideas, and providing me with resources that I would not have otherwise had access to. I must also thank Christophe Reffait for suggesting I read The Empire of Value and Geoff Harcourt for leading me to the work of Tony Lawson.

Thank you Darius Vitlin, George Parsons, Elizabeth Rechniewski, my mum, Alice Caffarel, and my dad, Ben Slade, for your suggestions and support. Thanks to Weet-Bix, Talisker, everybody I ran in to at Fisher Library this year, my honours cohort, and my friends and family. I could not have done it without you.
Introduction

I. Value is a Substance/Essence

In this thesis, I will examine the analysis of the “theory of value” in economics, put forward by economist André Orléan in The Empire of Value. In doing so, I will demonstrate the contribution that The Empire of Value makes to the school of thought that I name Heterodox Economic Methodology. Appendices A and B reproduce the essential extracts of Orléan’s analysis in, respectively, the French original and translated into English. These appendices have been included to provide readers with an exposure to Orléan’s analysis independent of my interpretation.

By “theory of value”, Orléan is referring to both the conception of value that underpins orthodox economics, the utility theory of value, and that which has informed classical and heterodox traditions of economics, the labour theory of value. Orléan justifies this grouping together of what are often considered opposing theories by claiming that they conceptualise value in exactly the same manner. The labour and utility theories of value employ a common method: they attempt to measure value objectively by a pre-determined scale. Consequently, Orléan argues, they conceive of the ontology – the philosophy of being – of value as a Substance/Essence. By this he means that both theories, through a method of *a priori* objectivity, attribute the existence of value to a universal force that pre-exists exchange. The value of a commodity can be known prior to the exchange process. Therefore, when value is conceived of in this way, the market relation is pre-determined and social relations are ignored (Orléan, 2011, pp.22-23). Orthodox economics and the classical tradition of economics, including its heterodox inheritors, such as Karl Marx, believe in the same ontology of value. Value, in economics, is a Substance/Essence.

Orléan takes a normative stance with regard to the identification of this common ontological position. He states that, “I refuse to accept that market value can

---

1 I use the term “Heterodox Economic Methodology” to refer to the work of Tony Lawson (1997, 2003, 2006, 2012, 2013) and others such as Sheila Dow (1998, 2012). This group of scholars have many commonalities but use different nomenclature. I have adopted the terminology and prescriptions used by Lawson.
2 The English translation reproduced is a working translation. See Orléan (2013).
3 Substance/Essence, for the purpose of this thesis, should be understood as an *a priori* and universal ontology. It is a state of being of the same nature as a god.
be identified with a substance […] that pre-exists exchange”. A Substance/Essence ontology of value is not representative of reality (Orléan, 2011, p.53). In reality, value is an Institution (Orléan, 2011, p.44). However, Orléan does not elaborate, other than in reference to, most notably, Marx and Émile Durkheim, his conception of reality.

Heterodox economic approaches, in general, argue for their supremacy over orthodox approaches in the same manner as Orléan, on the grounds that they present an analysis of economic phenomena that reflects a more realistic picture of the world. In other words, heterodox economics claims to be “realist” and accuses orthodox economics of being unrealistic. This reality, however, is not a consensual matter. It is a philosophical position that must be defined. To claim “realism” requires a definition of reality with which one’s theory can be compared. It is for this reason that Heterodox Economic Methodology argues that, “heterodox economics is, in the first instance, an orientation in ontology” (Lawson, 2006, p.498). “Realism” can only be claimed with regard to a conception of reality. Ontology is this conception of reality. However, heterodox economic approaches, including Orléan in The Empire of Value, often fail to explicitly their conception of ontology.

Heterodox Economic Methodology is a “realist” approach, not in the sense of the orthodoxy of political science, but where:

[R]ealism […] is closely and explicitly bound up with ontology […] i.e. with enquiry into the nature of being, of existence, including the nature, constitution and structure of the objects of study. Indeed, it is a forthright concern with ontology, and in particular with elaborating the broad nature of aspects of natural and social reality, that explains […] the term realism being used. […] [T]he term realism is used here to denote specific accounts of the nature of reality (Lawson, 1997, pp.15-16).

To avoid confusion with the orthodoxy of political science, I will denote “realist” and “realism” with inverted commas. “Realism”, as it will be used and understood in this thesis, prescribes the necessity of, first, when theorising, defining one’s ontology. In

---

4 « nous refusons d’admettre que la valeur marchande puisse s’identifier à une substance […] qui préexiste aux échanges » (Orléan, 2011, p.12).
5 An Institutional ontology, for the purpose of this thesis, refers to an ontology of social structures that conceives of them as socially constructed and socio-historically specific.
this way, reality is defined before theorising takes place and any ensuing theories can, by respecting this definition of reality, be “realist”.

Therefore, my first task in this thesis is to propose an ontology consistent with Orléan’s argument that Substance/Essence is an unacceptable ontology for a social object, in this case value. My analysis explicitly follows that of Tony Lawson (1997, 2003, 2006, 2012, 2013) and is also informed by Sheila Dow (1998, 2012).

Once I have provided an ontology for Orléan’s analysis of the “theory of value” – conforming with the framework of Heterodox Economic Methodology – I will turn to his theory in earnest. My second task in this thesis is to analyse Orléan’s identification of a more general unrealistic ontology, that of value being a Substance/Essence. This ontology crosses the boundaries of orthodoxy and heterodoxy and is an observation hitherto missed by Heterodox Economic Methodology. I will demonstrate that Orléan’s theory, complete with its ontological foundation, has important implications for Heterodox Economic Methodology, which I will elaborate. This analysis forces a wade into some philosophical shallows. I will now define the philosophical terms that I will employ to structure this thesis.

II. Definitions

I acknowledge at the outset that the definitions that I have developed may seem simplistic. This is intended to create sufficient clarity that the argument may be developed within the confines of this thesis.

First, the branch of philosophy that will be dealt with exclusively is that which Lawson (1997) names social ontology. Social ontology is the philosophy of the nature of social reality. As I conceive of it, this ontology deals with two ontologically different entities, human beings and social structures, which different social ontologies conceive of with varying degrees of interconnectedness. The categories I employ, though they have wider meaning in philosophy, literary theory, and art history, are defined specifically with regard to social ontology.

The categories are Substance/Essence, Institution, Modernism, and Postmodernism. Substance/Essence and Institution both refer to the ontology of social structures. Modernism and Postmodernism are philosophical paradigms that I define with regard to the social ontology that each paradigm presupposes as “real”.
Orléan uses Castoriadis’ definition of *Substance/Essence*, which “signifies a quality ‘endowed with absolute signification’, something that ‘has always existed, forever [until now] and forever more’” (Cited in Orléan, 2013, p.45). In other words, a Substance/Essence ontology of social structures implies the belief that social structures are universal and pre-exist the social relations in which they are manifested. This ontology is deterministic, ignoring the human dimension of social ontology. A Substance/Essence ontology was originally conceptualised as the nature of a god.

Orléan uses, for *Institution*, the definition written by Paul Fauconnet and Marcel Mauss (1901).

What is an institution if not a fully formed set of acts and ideas that individuals find themselves faced with and that more or less imposes itself on them? There is no reason to reserve this term exclusively for fundamental social arrangements, as is usually done. We therefore also intend by it customs and fashions, prejudices and superstitions, as well as essential legal structures and political forms or organisation; for all these phenomena are of the same nature and differ only in degree. (Cited in Orléan, 2013, p.495)

Institution, used in this manner, implies an ontology of social structures that conceives of them as socially constructed and socio-historically specific. The reality of social structures is attributed to groups of human beings who have constructed them and are required to continually reproduce them. However, Institutions are conceived of as being qualitatively independent from the individuals on whom their reality depends and, in addition, are observed to have a conditioning power over these human beings. “Institution” signifies a social ontology: an ontology of interconnection between social structures and human beings.

I define *Modernism* as the philosophical paradigm in which the reality of social structures is that they are Substances/Essences. Social structures are, in this paradigm, universal and determine the social existence of human beings. This paradigm constructed western thought from the enlightenment until the middle of the twentieth century (Castoriadis, 1978, pp.314-315; Sartre, 1970).

I define *Postmodernism* as the paradigm in which, in reality, the social realm is constituted by socially constructed, socio-historically specific, and conditioning Institutions. I claim it to be the current philosophical paradigm. The reality of the
social realm is one in which human beings and social structures are completely interconnected and presuppose each other, but where neither can be completely defined or explained by the other.

In summary, the philosophical framework of social ontology to be employed in this thesis opposes a modern social ontology, where social structures are Substances/Essences, with a postmodern social ontology, where Institutions constitute social reality.

III. Structure

Heterodox Economic Methodology has two tenets. First, one must define reality. Second, methodology must be understood with respect to reality. Therefore, in this thesis I will answer two questions:

1. What is a strong ontological foundation for Orléan’s assertion in *The Empire of Value* that a Substance/Essence ontology of value is unrealistic and that, in reality, value is an Institution?

2. What are the methodological implications of this ontology?

This will be done to, first, make Orléan’s work conform to the requirements of Heterodox Economic Methodology and, second, demonstrate the contribution that *The Empire of Value* makes to this school of thought.

In Chapter One I outline the framework of Heterodox Economic Methodology. I demonstrate the manner in which Orléan proceeds, without prior knowledge of this approach, for the most part, in accordance with the requirements of this framework.

In Chapter Two I outline the argument, developed by Orléan in *The Empire of Value*, that value is not a Substance/Essence. This argument is built on the identification of a fundamental unrealistic ontology in economics; an ontology that Heterodox Economic Methodology has not yet observed. I demonstrate, however, that an ontological foundation is lacking from Orléan’s theory.

In Chapter Three I propose, based on the work of Jean-Paul Sartre (1960, 1968, 1970), an existentialist ontological foundation for Orléan’s theory. I
demonstrate that this social ontology is largely similar to that of Lawson. The implication of this ontology is that the social ontology informing both Orléan and Lawson finds itself on the postmodern side of the paradigmatic divide defined above. The ontology of Heterodox Economic Methodology is postmodern social ontology.

In Chapter Four I analyse the proposals of Orléan, Sartre and Lawson as to the methodological implications of their common ontological position. The general methodological implication is pluralism. I demonstrate that each theorist’s inferred pluralist methodology is insufficient to guarantee “realism”. I argue that this results from a lack of recognition as to the paradigmatic nature of reality. With this paradigmatic specificity in mind, I propose an alternative, for guaranteeing “realism”, to the a priori definition of methodological principles.

The reality defined by Heterodox Economic Methodology has not always been. To state that value is an Institution is to break with the reality of the past. In this thesis, I will demonstrate that Heterodox Economic Methodology is, in fact, on the front line of a paradigm shift.
Chapter One

Heterodox Economic Methodology

1.1 Heterodox Economics
Heterodox Economic Methodology is a heterodox approach to economics. Generally, heterodox economics can be characterised as a two-part process. What renders economics unique amongst the social sciences is the extent to which its mainstream, which I will refer to as orthodox economics, is monolithic in character, dogmatic in method, and dismissive of alternative approaches to the understanding of economic phenomena. All economics must consequently be undertaken with reference to it. Therefore, the first part of the research process of heterodox economics involves developing a critique of orthodox economics. This has been done on countless occasions and in manners so convincing that it is often with disbelief that the heterodoxy observes the continuing strength of its adversary. That being said, once the orthodoxy has been resoundingly defeated – at least logically – the second step for heterodox research is to elaborate alternatives to purportedly better, that is, more realistically, explain economic phenomena. As a heterodox approach, Heterodox Economic Methodology follows this same path. What identifies it from other heterodox approaches is its attempt to complete this analysis at an increased level of abstraction, that is, at the level of methodology.

1.2 Methodology
The understanding of the term “methodology” that will inform this thesis is one that deems it to be meta-theory. Methodology is the theory of theories. More specifically, the understanding that I carry of methodology refers to the manner in which one may understand what informs theorists when they embark on the understanding of a phenomenon. In other words, methodology is understanding the approach a theorist takes to theorising. The elements that I take to inform and constitute methodology are ontology, epistemology and method. Ontology, the philosophy of being, and epistemology, the philosophy of knowledge, are the philosophical underpinnings of an approach, that is, the worldview of the theorist. Method, then, is the technique
employed by the theorist in investigating their chosen phenomenon. Methodology is the combination of ontology, epistemology, and method. Importantly, I assume that there is consistency between ontology, epistemology and method such that inferences about the other constitutive elements may be made from the knowledge of one. In addition, I conceive of the elements that constitute methodology in a hierarchy with regard to their proximity to reality. First comes ontology, as it is the study of being and thus provides a theory with its conception of reality. Secondly, there is epistemology that, on the basis of this ontology, determines what it is possible to know. Finally there is method that attempts, through techniques, to investigate and create knowledge within the constraints of a predefined epistemology.

1.3 Heterodox Economic Methodology

Heterodox Economic Methodology, like any heterodox approach, has two parts. The difference made by its increased level of abstraction is that these parts have wide reaching implications. Hence, in part one, a general normative framework for analysing theories can be inferred from the critique of the orthodox economics. In part two, a project to build a general methodology for social science is inferred from the proposal of an alternative, more realistic, perspective.

Through Lawson’s (1997, 2003, 2006, 2012, 2013) analysis of the methodology of orthodox economics, I infer a three step normative framework for analysing social theory more generally. Lawson (2006, p.489) proposes that, “modern mainstream economics is just the reliance on certain forms of mathematical (deductivist) method”. What defines orthodox economics, according to Lawson, is the universal application of the mathematical-deductivist method. Lawson (2013, p.950) defines deductivism as, “just the doctrine that all explanation be expressed in terms of ‘laws’ or ‘uniformities’ interpreted as (actual or ‘hypothetical’) correlations or event regularities”. The method of orthodox economics uses deductive reasoning, formalised by mathematical modelling. The use of this method results from a misguided application of the misunderstood methods of the natural sciences to the social realm (Lawson, 1997, 2003). This is step one: the approach to be critiqued is defined by method.
All methods have ontological presuppositions or preconditions, that is, conditions under which their usage is appropriate. To use any research method is immediately to presuppose a worldview of sorts. [...] Methods of mathematical-deductivist modelling, like all methods, do have ontological presuppositions. (Lawson, 2003, p.12)

Knowledge of this mathematical-deductivist method permits the inference of the constitutive elements of the theorist’s worldview: epistemology and ontology. The epistemology implied is positivist, that is, facts may be known. As for ontology, Lawson (2006, p.495) states that “the ontological presuppositions of the insistence on mathematical modelling include the restriction that the social domain is everywhere constituted by sets of isolated atoms”. Furthermore:

The term “atom” here refers to anything that (if triggered) has the same independent effect whatever the context. Formulations couched in terms of atomistic factors allow the deduction and/or prediction of events. Or rather, they do so if nothing is allowed to interfere with the actions of the atoms. So to guarantee that at the theory level outcomes are truly predictable and/or deducible, the atoms must be assumed to act in isolation from any countervailing factors that could interfere with the outcomes. (Lawson, 2013, p.954)

The ontology implied by the universal application of the mathematical-deductivist method is that human beings are isolated atoms. This is proven as, for the mathematical-deductivist models of orthodox economics to be able to produce laws, their constitutive elements must be predictable, as only isolated atoms are. As the constitutive elements of economic models are purportedly human beings, these models presuppose an ontology of isolated atoms. This is step two: ontology and epistemology are inferred from method.

However, as any human being will tell you, in reality, we are not isolated atoms. The critique developed of orthodox economics is simply that the ontology it presupposes does not correspond to social reality:
[A] world of isolated atoms […] may actually be rather rare in the social realm. I draw this conclusion on the basis of an (a posteriori derived) theory of social ontology, a conception of the nature of the material of social reality […]. […] By social reality or the social realm, I mean that domain of all phenomena whose existence depends at least in part on us. (Lawson, 2006, p.495)

This is step three: a theory’s presupposed ontology is judged with regard to its proximity to social reality.

In summary, the normative framework established analyses theory by inferring its presupposed ontology. This ontology is then compared to reality. The requirement of the framework is that theory be “realist”. Ontology must correspond to reality.

It is here that Heterodox Economic Methodology transitions from the first part of heterodox research, the critique of orthodox economics, and in this case, a general framework for judging theories, to the second part, the elaboration of an alternative perspective, in this case, the general methodological principles for understanding the social realm. This transition is made by way of the fundamental requirement for completing the normative framework outlined above: a definition of social reality. In this case, what is Lawson’s a posteriori derived theory of social ontology?

The conception of the social world to be sustained is of a network of continually reproduced inter-dependencies. That is, social reality is conceived as intrinsically dynamic and complexly structured, consisting in human agency, structures and contexts of action, none of which are given or fixed, and where each presupposes each other without being reducible to, identifiable with, or explicable completely in terms of, any other. (Lawson, 1997, p.159)

Social reality is processual, interconnected, and organic. Society is structured, that is, social structures are real. Furthermore, social structures are emergent; they cannot be explained by their perception by the individual human beings on which their reality depends (Lawson, 2006, pp.495-496). The social ontology defended by Lawson is one that affirms the absolute interconnectedness of structure and agency. This description
fits with the principles of a postmodern social ontology. Institutions constitute the social realm.

The second part of Heterodox Economic Methodology is then to formulate methods that will respect this social ontology. By the nature of the social ontology described above – its general applicability to the social realm – the methods and consequent methodology derived will also be applicable to the entirety of the social realm. Lawson and Orléan share this position:

[T]he materials and principles of social reality are the same across economics, sociology, politics, anthropology, human geography, and all other disciplines concerned with the study of social life. Hence I think we must accept that there is no legitimate basis for distinguishing a separate science of economics. Rather, economics is best viewed as at most a division of labour within a single social science. (Lawson, 2006, p.499)

All the social sciences, I maintain, are subject to the same logic of explanation. One may expect considerable advances to be made with the adoption of what might be called a unidisciplinary perspective. (Orléan, 2013, p.195)

However, they both argue that approaches of this sort exist already. For example, Lawson, through his focus on the orthodox/heterodox binary, assumes that the alternative economic approach, heterodox economics, in opposing orthodox economics, is consistent with this opposing alternative social ontology:

My claim is that something like the alternative ontology described above […] systematises the implicit preconceptions of the various heterodox traditions, and ultimately explains their enduring opposition to the mainstream (Lawson, 2006, p.497).

This jump is made hastily and consequently heterodox economics escapes scrutiny by Lawson as to whether this is actually the case. I detail further in Chapter Four the methods proposed by Orléan and Lawson as appropriate to a general social scientific methodology and demonstrate that herein lies their theories’ weakness.
In summary, Lawson argues that theory is fundamentally ontological. It must be underpinned by a definition of ontology, one that is, in Lawson’s terms, “realist”. Theory must begin by defining ontology. Lawson’s theory can then proceed in two parts; it provides a normative framework for analysing theory and a project for heterodox economics:

1. Normative Framework
   i. Step 1: Define approach to be critiqued by method
   ii. Step 2: Infer ontology and epistemology from method
   iii. Step 3: Judge theory by the proximity of ontology to reality

2. Methodological Project
   i. Infer methods that respect a “realist” social ontology
   ii. The resulting methodology will be generally applicable to the social sciences

1.4 Orléan and Heterodox Economic Methodology

Orléan, in *The Empire of Value*, in large part mirrors the analytical steps taken by Lawson. Orléan essentially follows the normative framework outlined above. However, he begins his analysis by affirming what he believes to be the identifying method, not just of orthodox economics, but also of economics in general. The French economic heterodoxy retains that the starting point of economics is a conceptualisation of the notion of value (Aglietta, 1976; Durkheim, 1937; Marx, 1967; Orléan, 2011). Value, in the English language literature, is a notion that is largely neglected.

Orléan, through the observation of conceptualisations of value, the most fundamental category of economics, discovers a commonality. This commonality is that the two great traditions of theories of value, those based in utility and those based in labour, both search to define value by an objective pre-existing scale. They therefore conceive of value as a Substance/Essence. Economics is defined, separate from the other social sciences, by the ontological position that value is a Substance/Essence (Orléan, 2011, pp.22-23).

Orléan completes by this the first two steps of Lawson’s normative framework. Economics is defined by the method that attributes the existence of value
to a scale pre-existing the exchange process. This method has the result that, ontologically, value is presupposed as a Substance/Essence, a universal entity that can be calculated without reference to social relations. Orléan then completes the third step; he critiques economics as he deems this ontology to be inconsistent with reality.

Orléan, however, misses the most important part. Orléan does not clearly outline his alternative conceptualisation of reality, other than to say that it is one in which economic value is not a Substance/Essence. He attributes the inspiration for his undefined social ontology to Marx’s theory of commodity fetishism and argues that Durkheim holds the same conception of reality. I analyse this attribution of inspiration in Chapters Three and Four.

This departure is important as Orléan nonetheless proceeds with the methodological project. Methods are proposed as appropriate to an economics consistent with reality. However, this reality is only defined by the affirmation of the non-existence of Substances/Essences. This is not an adequately strong basis for the development of a new methodology for economics let alone the social sciences in their entirety. The under-theorisation of social ontology leads to a methodological prescription that is flawed.

Orléan and Lawson conduct their analyses in very similar manners. They both seek to define economics based on ontology and to critique it based on this ontology’s distance from reality. Their identification, however, of the element of economics that fundamentally divorces it from reality, differs. For Lawson, it is the ontological presupposition of the mathematical-deductivist method that human beings are isolated atoms. For Orléan, it is the ontological position that value is a Substance/Essence.

Both then also deem the second step of this analysis to be the development of a methodology that is respectful of reality. They differ, however, on the content they give to this second step. Lawson, after first defining his conception of social reality, sees a history of this respect in various heterodox traditions such as Marxism, post-Keynesianism, and Institutionalism. Orléan, skipping the definition of his conception of social reality, sees the approach closest to reality to be that developed by Durkheim.

That being said, the similarities between Lawson and Orléan are far stronger than their differences. It is in this difference, however, that they provide the clues to reciprocally resolving the weaknesses in their respective theories and, furthermore, strengthening Heterodox Economic Methodology.
Chapter Two

The Empire of Value

2.1 Overview

I will now summarise the analysis conducted by Orléan in The Empire of Value. In this chapter, I provide my own translations of any citations used. This detailed outline focuses specifically on those passages that set up Orléan’s ontological framework and the methodological prescriptions that he consequently derives. However, I will first provide a brief overview of the entirety of the analysis.

Orléan starts by identifying that Substance/Essence is an unacceptable ontology of economic value because it is contrary to reality. A Substance/Essence ontology of value underpins almost all economics in the form of the utility and labour theories of value. However, the reality of value is that it is an Institution. Orléan argues that Marx manifested an understanding of this Institutional reality in the theory of commodity fetishism. I will go into all this in detail shortly.

Although I will not analyse the following in this thesis, Orléan presents two examples of what he deems to be a more satisfactory picture of economic phenomena. These two examples are Thorstein Veblen’s theory of conspicuous consumption and the theory of money developed by Michel Aglietta and Orléan (1984, 1998, 2002).

Veblen’s theory of conspicuous consumption is used to refute Léon Walras’ “theory of value” that grounds its determination of utility in the apparently objective criterion of scarcity. However, the theory of conspicuous consumption attributes the desire for commodities to “pecuniary emulation”. This implies that one’s position in the social hierarchy is demonstrated by one’s consumption and hence that in order to move up in this hierarchy, one must mimic the purchases of those in the social class directly above themselves (Veblen, 1998). The desire for commodities is linked to the desire for social advance. Orléan’s argument is, simply, that if this mimetic origin of

---

6 I will use my own translations because I believe that the working English translation reproduced in Appendix 2 does not emphasise the more general philosophical principles implied in Orléan’s original. The emphasis, in translation, shifts from the establishment of a general framework for understanding economics to a more specific explanation of the various points that Orléan discusses. The bigger picture is lost.
the desire for commodities exists, the exclusive determination of utility by scarcity is refuted.

This analysis of mimicry leads into Aglietta and Orléan’s theory of money. Mimicry as an economic motive, which Orléan names mimetic desire, is the fundamental assumption of Orléan and Aglietta’s theory of money. This theory of money dictates that “money is what founds a market economy”\(^7\). Exchange is first and foremost dependent upon the existence of money, the “master desire”\(^8\). Money, however, exists and is upheld because of mimetic desire. People want money because other people want money. Money exists because everybody wants it for the same reason. The basis of the capitalist market relation is this irrational mimetic desire.

It is from this theory that Orléan finds his way to the question of value. If exchange exists not because there is something fundamentally in common between commodities but rather because money, the universal equivalent, makes the exchange of commodities possible, then there is no longer any logical reason to require a theory of value that attributes the existence of value to some pre-existing scale. Within the market, “price and value are one and the same”\(^9\). This, however, is not a sufficient explanation as to the nature of value. Value remains a notion whose existence must be understood in its own right. Therefore, Orléan turns to understanding the reality of the existence of value, that is, where value is an Institution.

Orléan argues that the social sciences share a common understanding as to the socially constructed and socio-historically specific nature of Institutions. He elaborates the different explanations of different approaches that have already tried to understand this kind of entity. The approach on which Orléan most heavily relies is that developed by Durkheim. Orléan finishes The Empire of Value by analysing financial markets as a real example of the absolutely socially constructed nature of value and its complete lack of grounding in any pre-existing fundamental Substance/Essence.

The focus of this thesis is the part of Orléan’s analysis at the level of abstraction of methodology. Those parts of The Empire of Value left to the brief outlined above – Veblen, the theory of money, and financial markets – are examples at a reduced level of abstraction and are therefore not the concern of this thesis. They

\(^7\) « La monnaie fonde l’économie marchande » (Orléan, 2011, p.148)
\(^8\) « désir maître » (Orléan, 2011, p.150)
\(^9\) « Prix et valeur sont une seule et même réalité » (Orléan, 2011, p.169)
constitute the manner in which Orléan arrived at an analysis of value and not that analysis itself.

2.2 Value is an Institution

Orléan begins *The Empire of Value* by the assertion that “I refuse to accept that market value can be identified with a substance […] that pre-exists exchange”\(^\text{10}\). Specifically with regard to the market relation, Orléan outlines how he regards it as implausible that the values produced by this relation could be determined by some pre-existing scale. However, this is the method of economic theory, whether this scale is based on utility or labour. To Orléan, market, or economic, value seems self-evidently to be the product of the market relation, in which a variety of factors are involved in the process of valuation. It is therefore unrealistic to attempt to determine the value of commodities prior to exchange and on the basis of only one of these contributing factors, whether it be utility, labour, or any other (Orléan, 2011, p.12). Although Orléan makes these observations specifically with regard to economics, he later generalises these observations to the entirety of the social realm. The two general principles that are found already in Orléan’s incredulity towards this method for measuring value, and that will structure Orléan’s entire argument, are that, on one hand, a Substance/Essence ontology of social structures is unrealistic (economic value cannot be determined by a substance) and, on the other, social reality is of an Institutional ontology (market value must be understood as the product of the market relation).

The originality of Orléan’s argument, within the wider heterodoxy of economic thought, is to argue that a fundamental commonality exists underpinning both orthodox and heterodox economic thought. This commonality is the theorisation of value as having the ontology of a Substance/Essence. This ontological position is the result of the method employed by economics theorists. Economists, in general, search for a scale by which the relative values of commodities may be determined prior to the messy negotiations of the market. Orléan establishes, on the basis of this novel observation, a new manner of categorising schools of thought, as heterodox and orthodox are no longer suitable. These categories are Quantitative Economics\(^\text{11}\),

\(^{10}\) « [N]ous refusons d'admettre que la valeur marchande puisse s'identifier à une substance […] qui préexiste aux échanges » (Orléan, 2011, p.12)

\(^{11}\) « économie des grandeurs » (Orléan, 2011, pp.22-23)
defined as economic approaches that a founded on a Substance/Essence ontology of value, and Institutional Economics\textsuperscript{12}, defined as economic approaches that understand value to be the product of social relations, that is, to have an Institutional ontology. Quantitative economics is accused of fundamentally reifying commodities as this approach attributes to them an inherent value, in the sense that value pre-exists the exchange process. Quantitative economics is the tradition that has taken hold of not only the orthodoxy but also much of the heterodoxy. Institutional economics is a tradition that Orléan hopes to begin building by publishing works like \textit{The Empire of Value} (Orléan, 2011, pp.22-23). It is unclear specifically which existing approaches Orléan would classify as Institutional economics.

Orléan illustrates the method of Quantitative economics by taking emblematic examples of the orthodoxy and the heterodoxy, Walras and Marx respectively. This common method is to search for an objective scale to measure the values of commodities. Whether this scale is grounded in a utility or a labour theory of value does not matter as “these approaches share the same fundamental conception by which, to theorise exchange, one must go further than apparent monetary transactions so as to reveal the presence of a hidden magnitude that logically pre-exists and organises transactions”\textsuperscript{13}. This method presupposes a Substance/Essence ontology of value. If value can be calculated for all commodities without reference to the exchange process, market/economic value is no longer restricted to the capitalist market relation. Value is transhistorical and it exists universally. A social structure of this sort is a Substance/Essence. Economics therefore observes the world through ideological glasses in which a law of value determines the relationships of economic exchange (Orléan, 2011, p.24).

Specifically, Walras grounds his utility theory of value in the objective criterion of scarcity. Walras seeks to demonstrate that the relative scarcities of two commodities will be equal, in equilibrium, to their relative values. Marx proceeds in the same fashion. Marx searches for the one thing that otherwise heterogeneous goods

\textsuperscript{12} « économie des relations » (Orléan, 2011, pp.22-23). I have chosen to translate “économie des relations”, which could more literally be translated as “relational economics”, as Institutional economics because, while referring to the same thing, Institutional economics pays homage to an already existing tradition of economic thought and keeps consistency with the Institutional ontology that defines, in Orléan’s framework, this category.

\textsuperscript{13} « ces approches partagent la même conception princeps selon laquelle, pour penser l’échange, il convient d’aller par-delà l’apparence des transactions monétaires de façon à mettre en évidence la présence d’une grandeur cachée qui préexiste logiquement aux transactions et les organise » (Orléan, 2011, p.24).
have in common and concludes that this can only be that they are the products of labour. Marx must then render labour objective, which he does through the concept of socially necessary labour. As a result of this objective measure, relative quantities of socially necessary labour are presented as equal to the relative values of commodities (Orléan, 2011, pp.25-27). Marx and Walras employ the same method when conceptualising value and this results in the attribution, to value, of an unrealistic Substance/Essence ontology.

The true nature of market economies, and of social reality more generally, is that social structures are Institutions. Value, as a social structure, is an Institution. In answer to the first question of this thesis, that which asks for an elaboration of the ontology which informs this reality, Orléan points the reader towards the theory of commodity fetishism, as outlined by Marx. This is the first point of contention that I have with Orléan’s analysis. In short, Orléan argues that, in the theory of commodity fetishism, Marx describes a reality consistent with an Institutional ontology, one in which value is socially constructed and socio-historically specific. Even if value may have an objective appearance, Marx argues one must always remember that value is the socio-historically specific product of equally specific social relations. Orléan observes therefore that Marx subsequently professes a belief in an Institutional ontology while structurally implying a Substance/Essence ontology. These two positions are contradictory. Orléan attributes the existence of contradictions within Marx’s body of work to this fundamental contradiction. Orléan uses this as evidence that a Substance/Essence ontology must be absolutely rejected if an Institutional ontology is to be respected within a theoretical setup. For coherence, one must respect, consistently, one ontology (Orléan, 2011, pp.41-47). Orléan’s project is therefore to rehabilitate Marx by making his theory generally respect an Institutional ontology. Orléan mistakenly argues that his Institutional project is Marxist because of its affinity with the theory of commodity fetishism. I argue this point in detail in Chapter 3.

Orléan’s analysis of value then turns to inferring the implications of attributing to economic value an Institutional ontology. The major implication is that, “one of the strengths of this conception is that it is not limited to economics alone; it can be found
in numerous sociological analyses"\textsuperscript{14}. In other words, the reality of an Institutional ontology is not only true with regard to economic phenomena but also to social reality in general. Furthermore, this fact has already been understood by other disciplines, most notably sociology, that are much further advanced in their understanding of this reality. Institutions, including economic value, share a common ontology (Orléan, 2011, p.189). Moreover, the disciplines that study Institutions have a common epistemology: “an economic fact is a social fact like any other. It does not have its own essence that would justify a specific epistemology”\textsuperscript{15}. Therefore, at the level of abstraction of methodology, the set of principles to be developed to understand the Institutional dynamic in question are not principles specific to economics but to all those disciplines whose objects of analysis find themselves in the social realm. These disciplines are the social sciences. The first implication of the belief in the reality of an Institutional ontology is the possibility and desirability of what Orléan calls a “unidisciplinary” perspective (Orléan, 2011, pp.186-187). This is the project to build a general social scientific methodology.

Orléan reasons that if other approaches have already attempted to study Institutions then, as a starting point for this social scientific methodology, one should look to those examples. This is done in the hope of reducing the enormity of what is being proposed. To be clear, what is proposed is that, hitherto, economics has been underpinned by an unrealistic ontology and therefore must be revolutionised from the bottom up while concurrently generalising this new methodology to the social sciences as a whole. Orléan therefore argues that this methodology is not new at all, that the sociological tradition has approached the understanding of the social realm in this manner for over a hundred years. The “unidisciplinary” project seems much more manageable if it is reformulated as simply the extension of an already developed methodology, that of sociology, to a discipline to which it is also applicable, economics (Orléan, 2011, pp.188-199).

This is where Orléan provides an answer to the second question of this thesis; that of the methodological principles implied by an Institutional ontology. Orléan’s answer is that these methodological principles are already embodied in the work of Durkheim. Justification for this is found in an examination of Durkheim’s conception

\textsuperscript{14}“Une des forces de cette conception est qu'elle n'est pas limitée à la seule économie ; on la retrouve dans de nombreuses analyses sociologiques » (Orléan, 2011, p.186)

\textsuperscript{15}“le fait économique est un fait social comme un autre. Il ne possède en rien une essence particulière qui justifierait une épistémologie spécifique » (Orléan, 2011, p.186)
of an Institutional ontology, which is found to be strikingly similar to that which informs Orléan and, more generally, this thesis. Durkheim recognises the socially constructed and socio-historically specific nature of Institutions. Furthermore, he describes, for the most part, the dialectical dynamic of their existence, even if far greater weight is given to the conditioning power of Institutions. Orléan then presents an example of Durkheim’s method, outlining his analysis of the totemic religious practices of indigenous Australians (Durkheim, 1960). Durkheim, as it can also be argued of Marx, observed the reality of an Institutional ontology (Orléan, 2011, pp.199-213). What we are interested in here however is not this observation but whether this reality can be respected methodologically. This is my second point of contention with Orléan’s analysis, and is an example of where, as I argue in Chapter Four, Heterodox Economic Methodology more generally trips up. Orléan makes the assumption that the a priori belief in an Institutional ontology will necessarily mean the a posteriori methodological respect of such an ontology. I demonstrate in Chapter Four that this is not the case.

The major contribution that comes out of Orléan’s analysis in The Empire of Value is the observation that a common unrealistic ontology underpins economics across the boundaries of the orthodoxy and heterodoxy. This observation, when its implications are consistently inferred, as is the aim of this thesis, has important consequences for Heterodox Economic Methodology. The existence of unrealistic ontologies is more pervasive and subversive than observed by Lawson. Pluralist methods also have the potential for presupposing unrealistic ontologies. I argue, however, that Orléan does not consistently infer the implications of his observation that a Substance/Essence ontology of value is fundamental to economics.

The reason for this is Orléan’s attribution of the philosophical grounding of this position to Marx. This inadequate philosophical grounding means that inadequate scrutiny goes into judging appropriate methodological principles for such a “realist” analysis. It is for this reason that Durkheim is suggested. Orléan makes the same mistake as Lawson in deeming that an existing theory already follows methodological principles that can be generalised to the entirety of the social sciences. The methodological implications of an Institutional ontology can only be correctly inferred when Orléan’s rejection of Substance/Essence is grounded in a philosophy that begins in this same manner, by rejecting Substance/Essence.
Chapter Three

*Postmodern Social Ontology*

### 3.1 Postmodern reality

In reality, value is an Institution. Orléan, however, does not elaborate clearly the philosophy of this reality. As I have established, defining reality is essential to a realist approach. In the case of social science, reality is social reality, the philosophy of which is social ontology. Therefore, it is essential to outline the social ontology implied as real by *The Empire of Value*, consistent with, on one hand, the rejection of a Substance/Essence ontology of social structures and, on the other, his affirmation that the reality of social structures is that they are Institutions.

Although Orléan does not clearly elaborate his conception of social ontology, he does attribute inspiration to Marx. I must therefore first extract this ontological understanding from a Marxist frame.

Orléan also attributes the continuing development of Institutional ontology to Durkheim. Durkheim’s conceptualisation of Institutions, despite its acknowledgement of the socially constructed nature of these Institutions, disregards almost entirely the ontology of human beings and focuses, rather, on the conditioning power of Institutions. I must also refute this grounding.

The social ontology implied by Orléan’s rejection of Substance/Essence is outlined consistently by Sartre. I have chosen Sartre as he shares with Orléan, as a starting point, the rejection of Substance/Essence in the form of the belief that “existence precedes essence” (Sartre, 1970). Sartre (1960, 1968) then develops a social ontology that I will demonstrate is very similar to that of Lawson.

What differentiates Sartre’s social ontology, and Orléan’s work, from Lawson’s is the emphasis on Substance/Essence. Though Lawson does not emphasise this point, I argue that it is evidenced by the proximity of his ontology to Sartre’s that he also implicitly rejects Substance/Essence. This emphasis reveals that the opposing Institutional and Substance/Essence ontologies belong, respectively, to different philosophical paradigms: postmodernism and modernism. Reality is not universal. Reality is specific to philosophical paradigms. “Realism”, as advocated by Lawson and Orléan, is postmodernism.
3.2 Marx and Ontology

Orléan (2011a) states that the overarching aim of his research is to develop a model of the market relation that is equal to the model Marx developed of the wage relation. Orléan believes that Marx’s theory of the market relation is fundamentally flawed by the conceptualisation of economic value as having a Substance/Essence ontology. This ontology of social structures, implied by Marx’s formulation of the market relation, is contradictory to the ontology in which, Orléan claims, Marx otherwise believes. Marx, on one hand, is claimed to correctly describe an ontology that understands the socio-historically specific and socially constructed nature of Institutions. On the other, he conceptualises value as a Substance/Essence. These two ontologies are incompatible and contradictory (Orléan, 2011, pp.41-47). Orléan cites Cornelius Castoriadis to argue that this fundamental contradiction is the source of confusion and ambiguity in Marx’s work:

The paradox, the antinomy of Marx’s thought, lies in the fact that Labour, which constantly modifies everything, including itself, is at the same time conceived of under the category of Substance/Essence, of that which can “appear” under a given form or take on a given “expression” […] but which, in itself, does not modify itself, does not alter, and subsists as the immutable foundation of changing attributes and determinations. (Castoriadis, 1984, p.274)

Castoriadis clearly outlines the manner in which it is contradictory to concurrently profess that something is constantly modified and at the same time universal and unchanging. This contradiction pervades Marx’s thought. Orléan conceives therefore of his project as resolving this contradiction in favour of the realistic Institutional ontology.

However, Orléan’s overarching aim implies that he believes Marx’s model of the wage relation to be free of a Substance/Essence ontology of social structures. This is not the case. Exploitation makes sense only when a conceptualisation of value as a Substance/Essence is accepted. Exploitation is a technical term that signifies the difference in value between the wage paid and the labour power exerted. This difference can only be calculated when the value of labour power can be objectively
pre-established, as only a Substance/Essence can (Lordon, 2010, p.148). The labour theory of value is the fundamental structuring force behind the wage relation, the market relation, and, hence, Marxist theory in general. Despite this fundamental fallacy, Orléan conceives of his own understanding of reality as also originating from Marx.

I agree fully with the analysis that deems that the labour theory of value conceives of value as a Substance/Essence and that this is unrealistic. However, even if I am to accept that the opposed Institutional ontology, which Orléan believes is real, has its origins in the particularly ambiguous theory of commodity fetishism, in Capital, the theory of commodity fetishism, though of particular interest, is, as even Orléan will attest, insignificant beside the labour theory of value:

Marx’s critique of fetishism cannot be seen as an integral part of the quantitative determination of labour value. It appears instead as an adjunct to the main argument on this point, in the fourth chapter of Das Kapital, where it is introduced as a sort of precautionary measure (Orléan, 2013, p.45).

It is therefore implausible to place the contradictory ontologies of Substance/Essence and Institutions on equal footing and even more so to suggest that to rehabilitate Marx one needs only to extend consistently the principles of the theory of commodity fetishism to the entirety of his theoretical corpus. This is akin to saying that to repair a crack in the wall of a house, one need simply demolish the house. Orléan (2011, p.54) characterises his project, with regard to Marx, as establishing a new theoretical foundation. It is important to understand that it is, in fact, a demolition. Though Marx may have insightfully observed something of the socially-historically specific and socially constructed nature of Institutions, it is not on this ontology that his theory is built. The ontology presupposed by Marx’s method is Substance/Essence. At best, Marx observed something of the Institutional nature of society but left this observation theoretically undeveloped. Marx’s theory is modernist by its conceptualisation of value as a Substance/Essence. Its reality is not that of Orléan.
3.3 Postmodern Social Ontology

The social ontology that I deem to be consistent with Orléan’s position that a Substance/Essence ontology of social structures is unrealistic is that of Sartre. First, however, I must begin by refuting Orléan’s other professed and more developed source of his conception of social structures, Durkheim. I will then turn to the existentialist ontology developed by Sartre, which provides a far more satisfactory ontological foundation for Orléan’s theory. Sartre’s emphasis on Substance/Essence reveals that this “realist” social ontology is postmodern. I will argue that the implication of postmodernism is that an understanding of this reality requires what Castoriadis calls “a new logic”\(^1\). This means a paradigm shift. I will demonstrate that the social ontology deemed real by the Heterodox Economic Methodology is postmodern, which implies a radical split for a new heterodox economics from the modernist paradigm of the past.

3.3.1 Durkheim and Institutions

Orléan relies heavily on the analysis of Institutions developed by Durkheim. Durkheim considers society – a group of associated individuals – to be naturally productive of structures of a qualitatively different nature to the nature of the sum of the individuals that constitute said society. Otherwise stated, the coming together of individuals in society is deemed to naturally produce a collective consciousness that manifests itself as, for example, morals (Durkheim, 1924, pp.53-56). Generally, society is said to collectively produce, and then be structured by, entities that are irreducible to the human beings that have created them. These entities are Institutions (Durkheim, 1937, p.XXII).

Institutions are defined by the coercive power that they have over human beings, which I refer to as conditioning power (Durkheim, 1937, p.5). Durkheim describes the experienced reality of Institutions as being one in which they appear to human beings as pre-existing and impervious to change. Thus the coercive power of Institutions is great. They reign supreme over the members of society. Durkheim does recognise that human beings play a role in the construction of these Institutions (Durkheim, 1937, p.XXII). However, he pays no regard as to whether this fact would have any influence on the nature of these Institutions.

Sociology and, as implied by Orléan, all social science “can then be defined as the science of institutions, of their genesis and of their functioning” (Durkheim, 1938, p.lvi). In actuality, Durkheim pays little attention to the genesis of these Institutions except to say that they are naturally occurring in society. Durkheim’s focus is on the manner in which Institutions condition the members of society. Although he understands that the social world is not completely determined by these Institutions and that, furthermore, they are specific to different socio-historical contexts, in analysis, Durkheim prescribes that one should ignore these difficulties.

Durkheim’s method, while discussed in detail in Chapter 4, requires a brief explanation. This method demonstrates that Durkheim is unsuitable as an ontological foundation of Orléan. Durkheim’s main methodological prescription is that one must consider Institutions as things. This prescribes that, in attempting to understand a specific set of Institutions, one must consider them in isolation from their perception by individual human beings (Durkheim, 1937, p.45). As methods necessarily imply a social ontology, this method of isolation, regardless of Durkheim’s ostensible awareness of the socially constructed nature of Institutions, implies an ontology of isolation that is contrary to the reality of Institutions.

Durkheim does not take into account that the existence of Institutions is dependent on their continual reproduction by human beings. This dynamic is inherent to the reality of Institutions and must be taken into account if they are to be understood realistically. Durkheim’s method of isolation runs the risk of implying precisely the essentialism that Orléan rejects. Though Durkheim’s identification that society is made up of conditioning Institutions is an important intellectual landmark, it is a social ontology that must underpin Orléan’s theory. Durkheim is insufficient as he does not develop an ontology of human beings.

3.3.2 Sartre and Human Beings

Sartre’s ontology is first and foremost an ontology of human beings. The fundamental precept of Sartre’s existentialist ontology is the belief that the reality of human beings is one in which “existence precedes essence”. This is Orléan’s reality, one in which Substances/Essences, as I have defined them, cannot exist. The opposing position to that which Sartre upholds is the belief that “essence precedes existence”. Sartre accuses philosophers such as Diderot, Voltaire and Kant, because of their belief in a
human nature, and any theist philosophy, because of its belief in a god, of this position (Sartre, 1970, pp.20-21).

Essence, as employed by Sartre, has a double meaning. When Sartre talks of philosophies in which “essence precedes existence”, the term essence is synonymous to Substance/Essence. When, however, Sartre states that “existence precedes essence”, this implies that essences are constructed. Hence, the term essence is here synonymous with Institution. For Sartre, as for Orléan, a Substance/Essence ontology has no place in an understanding of social reality.

“Existence precedes essence” implies that first human beings exist. Everything else comes next and is the product of that existence. Existence, for Sartre, is the condemnation of human beings to freedom. This is because existence is all human action. Human beings, as condemned free agents, have choice over these actions. However, as non-choice and non-action also remain choices and actions, human beings cannot choose not to act and are condemned to therefore perpetually produce and construct. This is what is meant by a condemnation to freedom. For Sartre, “life has no meaning, a priori”17. First, human beings exist and, though theoretically at that instant they are nothing, the production of values and meaning begins instantly by the uncontrollably productive nature of that existence. Society and those structures that constitute it begin to be constructed instantly.

3.3.3 Sartre and Social Ontology
The social ontology that Sartre (1960, 1968) develops results from an attempt to respect his own ontology of the freedom of human beings, while concurrently “[accepting] without reservation the thesis set forth by Engels in his letter to Marx: ‘Men themselves make their history but in a given environment which conditions them’” (Sartre, 1968, p.85). In other words, Sartre attempts to take into account the reality that Institutions have a strong conditioning power, which limits a posteriori the freedom he attributes a priori to human beings. For an Institutional reality to be consistent with an existentialist ontology, the making of history, and more generally the interaction between human beings and Institutions, must be understood as praxis:

17 My translation: « la vie n’a pas de sens, a priori » (Sartre, 1970, p.89)
If one wants to grant to Marxist thought its full complexity, one would have to say that man [...] is at once both the product of his own product and a historical agent who can under no circumstances be taken as a product. This contradiction is not fixed; it must be grasped in the very movement of praxis. Then it will clarify Engel’s statement: men make their history on the basis of real, prior conditions [...], but it is the men who make it and not the prior conditions. Otherwise men would be merely the vehicles of inhuman forces which through them would govern the social world. To be sure, these conditions exist, [...] but the movement of human praxis goes beyond them while conserving them. Certainly men do not grasp the real measure of what they do [...]. But if History escapes me, this is not because I do not make it; it is because the other is making it as well. (Sartre, 1968, pp.87-88)

Sartre accepts that human beings make their history on the basis of prior real conditions. However, he argues that, in the last instance, human beings make this history and not the prior conditions. Although these prior conditions, or Institutions, have a power of conditioning, reality is human praxis. The concurrent reality of Institutions is wholly dependent on human action; the reality of Institutions is “parasitic” (Sartre, 1960, p.55). The complex reality of society is that human beings, through their conscious and unconscious actions, reproduce existing Institutions while simultaneously constructing new Institutions. And all the while, Institutions, both those pre-existing and those constructed by each action, condition human beings. Institutions, however, are nothing but their manifestations through the actions of human beings.

Lawson also argues that the reality of the interaction between human beings and social structures is praxis:

[I]f we can agree with Marx that human beings “make their own history, but not in the circumstances of their own choosing”, we must emphasise [...] that the circumstances and history in question are not fully understood intentional products [...]. Society and economy are perpetually reproduced and/or transformed through praxis. (Lawson, 1997, p.173)
The social ontology that Sartre and Lawson both claim as real is one that is realised by dialectical praxis. This is because two social realities, Institutions and human beings, which are interconnected although different, must be accepted concurrently. First, reality is that in the social realm nothing other than human beings exists \textit{a priori}. Secondly, however, the reality of human existence is also that human beings are conditioned by Institutions of their own making, which, in turn, remain dependent on human beings for reproduction. Praxis, a dialectic of concurrently conditioned and constructing human agency, is the reality of human existence. This reality is one that concurrently reaffirms the agency of human beings and the conditioning to which they are subject. This reality exists, however, according to Sartre, only through the praxis of the human act.

Sartre seeks to reaffirm the supremacy of human action. For this reason, he names his social ontology \textit{the project}:

\begin{quote}
We affirm the specificity of the human act, which cuts across the social milieu while still holding on to its determinations and which transforms the world on the basis of given conditions. For us man is characterised above all by his going beyond a situation, and by what he succeeds in making of what he has been made – even if he never recognises himself in his objectification. […]
\end{quote}

The most rudimentary behaviour must be determined both in relation to the real and present factors which condition it and in relation to a certain object, still to come, which it is trying to bring into being. This is what we call \textit{the project}. \cite[Sartre, 1968, p.91]{Sartre1968}

Sartre expresses here that the part of human reality that he deems most human is the construction of new Institutions, “his going beyond a situation”. Though praxis is the concurrent conditioned reproduction and creation of new Institutions, Sartre privileges the creation of new Institutions as it is this that demonstrates that human beings are still, if only relatively, free.

That being said, the reality of \textit{the project} remains praxis. Sartre describes the dialectical dynamic of praxis as:

\begin{quote}
[A] passage from the objective to objective through internalisation. The project, as the subjective surpassing of objectivity toward objectivity, and
stretched between the objective conditions of the environment and the
objective structures of the field of possibilities, represents *in itself* the moving
unity of subjectivity and objectivity, those cardinal determinants of activity.
The subjective appears then as a necessary moment in the objective process. If
the material conditions which govern human relations are to become real
conditions of *praxis*, they must be lived in the particularity of particular
situations. […] But all this objectivity refers ultimately to a lived reality. […]
In the *lived experience*, the subjectivity turns back upon itself and wrenches
itself from despair by means of *objectification*. Thus the subjective contains
within itself the objective which it denies and which it surpasses toward a new
objectivity; and this new objectivity by virtue of *objectification* externalises
the internality of the project as an objectified subjectivity. This means *both*
that the lived as such finds its place in the result and that the projected
meaning of the action appears in the reality of the world (Sartre, 1968, pp.97-98)

What this means is that existence – human action – is influenced by objective social
structures. However, simultaneously, social structures have no reality other than their
manifestation through human action. In other words, human beings are conditioned
because they internalise social structures that influence their subjective action.
Actions, then, at once reproduce and surpass this original objective influence, that is,
conditioning Institutional structures. Actions “make real”, and construct new,
objective influences, that is, Institutional structures. The dynamic of this reality is
therefore the dialectical praxis of constant interplay and interconnection between
human beings and Institutions.

This is, once again, very similar to the picture drawn by Lawson of the role of
human beings and their actions in the social realm:

Human beings are the moving forces in history and it is upon human actions
or doings that everything in the social world turns. Not only is social structure
reproduced and transformed through human practice but so too is the
personality of each individual. Social structure is the, typically
unacknowledged, condition of action as well as its, usually unintended,
consequence. (Lawson, 1997, p.188)
Sartre and Lawson similarly conceptualise social ontology. I believe that this implies that Lawson also holds that a Substance/Essence ontology of social structures is unrealistic. However, the lack of emphasis on this element of his social ontology, combined with an insistence as to the “realism” of his approach, leads Lawson to ignore the importance, to his own understanding of reality, of his philosophical context. Sartre, by emphasising Substance/Essence, situates the belief in this reality in opposition to an alternative conception of reality: the philosophy by which essence is deemed to precede existence. A conception of reality is defined by one’s philosophical paradigm. Reality, as defined by Orléan, Sartre and Lawson, is specific to the current philosophical paradigm: postmodernism. Hitherto, precisely the ontology of social structures requiring rejection, the ontology of Substance/Essence, was considered to be reality. Modernism, the previously prevailing philosophical paradigm posited the Substance/Essence ontology of social structures as reality and structurally required it in the construction of social theory.

3.3.4 Substance/Essence as Reality

The principle that “existence precedes essence” opposes the principle that “essence precedes existence” (Sartre, 1970, pp.17-20). Using Sartre’s terms, modernism, in my definition, is a belief in, or a methodology that implies, a social ontology by which “essence precedes existence”. In this paradigm social structures are theorised as having a Substance/Essence ontology. Castoriadis (1978) argues that a Substance/Essence ontology is fundamental to modernism. He argues that this renders modernist thinkers incapable of realistically conceptualising Institutions. Therefore, a “break” from this paradigm is necessary if one is to understand Institutions as they really are (Castoriadis, 1976, pp.314-315).

As cited above, Orléan relies on Castoriadis to make the argument that Marx’s fundamental problem is Substance/Essence. Orléan, however, does not take Castoriadis’ argument to its conclusion. Castoriadis goes on to explain how, within Marx’s “ontological framework”, which I am referring to as modernism, he could not have arrived at any other position:
Marx knows very well, and is the first to say, that the apparent homogenisation of products and labour emerges only with capitalism. It is capitalism which *brings it into being*. But how can Marx, within the ontological framework which is still his own, think that capitalism might be capable of bringing into being something which was not already there, at least potentially? So capitalism can only *cause to appear*; it “reveals” humanity to itself; [...] the truth of its true being – that it is economic, that the truth of its life has always been *production*, the crystallisation into use-values of the Substance/Essence, Labour (Castoriadis, 1984, pp.276-277).

Marx could not accept his own observation of the socially constructed nature of commodity form. His ontological framework forced him to search for the origin of the homogenisation of heterogeneous labour, that is, the commodity form, in a pre-existing Substance/Essence. The Substance/Essence ontology of social structures is, according to Castoriadis, essential to Marx’s ontological framework, modernism. And the modernist framework is far-reaching. Hence, Durkheim is also criticised. The concept of “collective consciousness” is accused of being nothing more than a “hollow phrase” (Castoriadis, 1976, p.196). Furthermore, mathematical formalism is identified as incapable of conceptualising the socio-historical (Castoriadis, 1976, p.209). This is because, while employing the categories of “inherited thought”, it is impossible to go any further towards realistically conceptualising Institutions (Castoriadis, 1984, p.328). Modernism cannot understand Institutions.

As Institutions are what make up society, modernist thought consequently cannot understand social reality:

The true “historical bound” [...] which constrains [...] Marx, is the question of institution. What “limits” [him] [...] is the impossibility, for inherited thought, of taking the social-historical into account as a mode of being which cannot be reduced to what is “known” from elsewhere. [...] To think of the institution as it is, as a social-historical creation, requires one to break up the inherited logical-ontological framework; to propose another institution of society [...] which [...] cannot be “founded” in any kind of Nature or Reason (Castoriadis, 1984, pp.328-329).
The method of “inherited thought”, when conceptualising social structures, is to search for a measure or understanding outside of the social relations in which the social structure appears. Social structures must be understood by being reduced to “what is ‘known’ from elsewhere”. This is the method of Quantitative economics, as defined by Orléan, and results in a conceptualisation of social structures as Substances/Essences.

Castoriadis argues that we need to break with the inherited logical-ontological framework, that is, modernism, and develop “a new logic” capable of understanding the socio-historically constructed nature of Institutions. Castoriadis is advocating a paradigm shift. When he states that Institutions “cannot be ‘founded’ in any kind of Nature or Reason”, Castoriadis is referring, by “Nature or Reason” to the ontology of Substance/Essence. The founding of understanding in a Substance/Essence is required by the modernist paradigm. This is incompatible with an understanding of the newly observed reality of Institutions and therefore a new frame of reasoning, a new paradigm, is required.

What the focus on Substance/Essence contributes, most importantly, to Heterodox Economic Methodology, is that it reveals its ontological opposition to the previous philosophical paradigm: modernism. This opposition implies that a methodology consistent with such an ontological opposition must also be in opposition to the previous paradigm. The ontology and methodology of Heterodox Economic Methodology must be postmodern. The number of economic approaches employing unrealistic ontologies extends, by this reasoning, much further than simply the orthodoxy. A far more radical break from previous theorisation is required than either Lawson or Orléan advocate.

3.4 A Paradigm Shift

Orléan, by grounding his critique of economics in the rejection of Substance/Essence, has led me to situate his social ontology, and consequently Lawson’s, as opposing the paradigm in which Substance/Essence is the reality of social structures: modernism. The normative requirement for economics, imposed by Lawson, is that economics must be “realist”, with “realism” defined as the methodological respect of social reality. Social reality, however, is not universal but specific to a philosophical paradigm. Orléan and Lawson’s social reality is only “real” within the current
paradigm: postmodernism. “Realism”, in Heterodox Economic Methodology, is postmodernism.

This means that the ontologies deemed by Heterodox Economic Methodology to be unrealistic are, if my definition of modernism is accepted, presupposed by most thought up until the middle of the twentieth century. The kind of reality that Lawson and Sartre describe, even though it may seem self-evident to contemporary individuals, is in fact a very contemporary position to hold. Furthermore, it is entirely novel to seek to formulate a methodology that would structurally presuppose said reality. If it is true that a Substance/Essence ontology of social structures was the “realism” of the modernist paradigm, then this reality is pervasive in a quite general way. What I mean is that structurally, theories developed under this paradigm, that is most theory, will presuppose a Substance/Essence ontology of social structures. In Castoriadis’ words, “a new logic” is necessary if one hopes to realistically understand the postmodern reality of social structures. A paradigm shift, leaving behind all those theories built under the previous paradigm, is, in theory, necessary. An entirely new methodology, with most probably a new language, would be required to analyse social structures as Institutions while guaranteeing that this reality is respected.

Orléan and Lawson’s position that a “realist” social ontology – a postmodern social ontology – must be respected and furthermore is the starting point for a potential general social scientific methodology, implies a revolutionary break from previous theorisation, which neither thinker recognises. It would require a “fresh start” that is seemingly quite impossible. An analysis of the methods proposed as appropriate to a general social scientific methodology indicates the current impossibility of building a general social scientific methodology that could guarantee a respect of postmodern social ontology.
Chapter 4

Social Scientific Methodology

4.1 Social Ontology and Methodology

This chapter will outline the implications for the methodological project of Heterodox Economic Methodology of the revelation that, through the analysis of Orléan’s claim that value is an Institution, the ontology that a general social scientific methodology is required to presuppose is specific to the postmodern paradigm. I will do this by examining the indications that may be drawn from the works of Orléan and Lawson with regard to the methods appropriate to a “realist” general social scientific methodology.

In the case of Orléan, I will look at two different methodological outlines. First, I will critique Orléan’s suggestion of Durkheim (1938) as a model methodology. Then, I will argue that in addition to providing a more satisfactory ontology for Orléan, Sartre (1960) elaborates methodological principles with an actual respect for such an ontology. I will then compare these differing methodologies to the methodology outlined by Lawson (1997, 2003), highlighting once again its proximity with Sartre.

These thinkers – Orléan, Sartre, Durkheim, and Lawson – all share largely the same beliefs as to the reality of social ontology. Furthermore, they feel that this social ontology, as it deems the reality of Institutions to be irreducible to simply the consciousnesses of the individuals from whence they came, justifies an independent area of study, social science\(^\text{18}\). Their grounding, and hence their projects, are the same: the elaboration of a methodology for the understanding of an Institutionally constituted social realm. I analyse each methodology by dividing it into its constitutive parts, ontology, epistemology and method.

In Chapter Three of this thesis I posited that the sense in which this social ontology is “realist” is that it is in accordance with the current postmodern philosophical paradigm. I will now outline that the point at which we are currently is one where it is largely agreed that the epistemology and methodology of the social

\(^\text{18}\) Durkheim and Sartre, when they employ, respectively, the terms sociology and anthropology, are referring to social science in the sense employed above.
sciences should be pluralist. This pluralism has a tendency to dissolve into a free-for-all. This is a consequence of a failure to recognise that this project belongs to the movement of a paradigm shift. However such recognition may well imply that the methodological project is quite impossible; that the revolution in thought required is implausible.

That being said, the normative framework of Heterodox Economic Methodology imposes a strict criterion for a theory to be “realist”: it must *a posteriori* imply a postmodern social ontology. However, heterodox economics seems to largely escape this *a posteriori* examination. For the moment, there is a tendency to equate pluralism with a respect of a postmodern social ontology. As the examples of Marx and Durkheim attest, this is not the case. One may employ a pluralist methodology and still arrive at the implication of an ontology contrary to social reality. In fact, as established, this unrealistic ontology is presupposed by most thought.

I will now examine each methodological proposal in detail. I will demonstrate that methodological pluralism is the only consistent methodological prescription to be made from a starting point of postmodern social ontology. However, pluralism is insufficient to guarantee the respect of postmodern social ontology.

### 4.2 Orléan’s Methodology

Orléan’s prescription, in *The Empire of Value*, for a general methodology for social science is the method of Durkheim. Durkheim’s work, however, like Marx’s, is situated historically within the modernist paradigm. In my analysis, his work must be incapable of respecting a postmodern social ontology as it is structurally bound, by its paradigm, to an opposing conception of reality.

Durkheim demonstrates that the simple extension of methods outside of mathematics does not guarantee the *a posteriori* respect of social reality. As I have already briefly argued, this is exemplified by the prescription that Institutions must be treated as things, denying their dynamic nature. Durkheim’s obsession, as outlined in *The Rules of Sociological Method*, with “the scientific method” leads him to develop, *a posteriori*, a framework divorced from his *a priori* professed Institutional social ontology.

I have argued that, in replacement of Durkheim, Sartre (1960, 1970) provides a truly consistent ontological basis for Orléan’s theory. Therefore, the methodological
implications Sartre deems to arise, in *Search for a Method*, from such an ontology, are demonstrably consistent with his pre-defined social ontology. Sartre respects Lawson’s prescription that epistemology and method must be inferred from a base of ontology. Consequently Sartre’s conclusions are once again very similar to those of Lawson.

4.2.1 Durkheim: The Scientific Method

Durkheim (1924, 1937) deems Institutions to be what constitute society, states them as the objects of study for sociology or social science, and, most importantly, clearly acknowledges that to his mind they are constructed by groups of human beings. Society is defined as the creation of Institutions that results instantly from the coming together of human beings in groups (Durkheim, 1924, p.53). A science of these Institutions is warranted, as their understanding cannot be accessed simply through their manifestations within individual human consciousnesses, in which case psychology would be a sufficient scientific discipline for their understanding (Lawson, 1997, 2003; Durkheim, 1937). Durkheim believes in the same ontology as Orléan, Sartre, and Lawson.

Durkheim’s divergence from this common ontological position begins when he outlines the method that he believes is necessary for a scientific understanding of Institutions. In keeping with the dominant positivist epistemology of the time, science is exclusively conceived of as an objective, empirical and experimental practice with the aim of producing objective facts. Science is the scientific method. He therefore attempts to outline a method for understanding Institutions in this way, to establish the existence, causes, and the functions of social facts (Durkheim, 1924, 1937).

First, ontology is actively disregarded. Philosophy has no place in science because it is not the product of the scientific method. Philosophy is not built on “facts”. *A priori*, no philosophical conception of social ontology should inform epistemology or method because, according to Durkheim, this is the method of science:

Our principle […] implies no metaphysical conception, no speculation about the fundamental nature of beings. What it demands is that the sociologist put himself in the same state of mind as the physicist, chemist or physiologist
when he probes into a still unexplored region of the scientific domain. When he penetrates the social world, he must be aware that he is penetrating the unknown; he must feel himself in the presence of facts whose laws are as unsuspected as were those of life before the era of biology. (Durkheim, 1938, p.xlv)

All facts, according to Durkheim, must be the product of the scientific method as otherwise they are not facts in the sense that they are not objectively determined by the somewhat dubiously objective aforementioned scientific method. Ontology is expressly forbidden as the starting point of a “scientific” methodology for understanding the social realm (Durkheim, 1938). This explicitly goes against the principles of Heterodox Economic Methodology. Durkheim’s method, by ignoring ontology, is already not “realist”.

Durkheim’s starting point is epistemology. In doing so, Durkheim proceeds to commit what Lawson calls the “epistemic fallacy”, which results from ignoring ontology when developing a theoretical framework (Lawson, 1997, p.154). The epistemic fallacy, according to Lawson, is the blind generalisation of positivist epistemology to all areas of enquiry that the researcher would like to be considered scientific. It ignores that epistemology is intimately linked to ontology and that there are ontological implications of different epistemologies. The epistemic fallacy, then, can otherwise be stated as “the supposition that […] ontology can be reduced to epistemology” (Lawson 1997, p.62). It is fallacious to conflate ontology and epistemology by positing epistemology as the starting point of all theory. This would imply that all objects of study share a common ontology, which is not the case.

Durkheim argues that the objects of scientific study must be “things”. Hence, social facts, to be the object of science, must be treated in this way:

We assert not that social facts are material things but that they are things by the same right as material things […]. What, precisely, is a “thing”? A thing differs from an idea in the same way as that which we know from without differs from that which we know from within. Things include all objects of knowledge that cannot be conceived by purely mental activity, those that require for their conception data from outside the mind, from observations and experiments, those which are built up from the most external and immediately
accessible characteristics to the less visible and more profound. To treat the facts of a certain order as things is [...] to assume a certain mental attitude toward them on the principle that when approaching their study we are absolutely ignorant of their nature, and that their characteristic properties, like the unknown causes on which they depend, cannot be discovered by even the most careful introspection. (Durkheim, 1938, p.xliii)

The idea of conceiving of an object of study as a “thing” is an epistemological position, a philosophy as to the manner in which they can be known. Durkheim differentiates between ideas, which are the product of purely mental activity, and facts or “things”, which can be known through the scientific method. The former constitutes a vulgar knowledge whereas the latter is the factual basis upon which theories may be developed (Durkheim, 1938, p.17). “Things” must be understood using the objective methods of the sciences: empirical observation and experimentation.

The scientific method must be adapted to the study of social facts. Durkheim (1938, p.125) does recognise, for example, that the social realm is not amenable to the variety of experimental methods employed in the natural sciences. An early example of the correct method is interestingly outlined in opposition to the manner in which economics conceives of value:

The subject matter of economics [...] comprises not the realities given to immediate observation but merely conjectures that are the product of pure intellect. [...] The most fundamental of all economic theories, that of value, is manifestly constructed according to this same method. If value had been studied as any fact of reality ought to be studied, the economist would indicate, first of all, by what characteristics one might recognise the thing so designated, then classify its varieties, investigate by methodical inductions what the causes of its variations are, and finally compare these various results in order to abstract a general formula. Theory would be introduced only when science had reached a sufficient stage of advancement. On the contrary, it is introduced at the very outset. In order to construct economic theory, the economist is content to mediate and to focus his attention on his own idea of value, that is, as an object capable of being exchanged; he finds therein the
Durkheim’s criticism of the conceptualisation of economic value is almost exactly the same as that outlined in this thesis. However, Durkheim concludes that the fallacious nature of the philosophical grounding of economic theory means that all philosophical grounding should be jettisoned, not that such grounding must be reformulated to reflect social reality. Philosophy, “merely conjectures that are the product of pure intellect”, must be replaced by facts produced by the objective scientific method. Unfortunately, Durkheim is unable to recognise that the objectivity of the methods that he is proposing is not what it seems. The scientific method, which he proposes as the alternative, is laden with the same essentialist ideology, and belongs to the same philosophical paradigm, as the philosophy that posits a Substance/Essence ontology of value. Durkheim’s rejection of philosophy, grounded in the epistemological fallacy, misleads him to arrive at a method that will presuppose an ontology in opposition to his a priori outlined conception of social reality.

To specify, the method that Durkheim outlines for the observation of social facts is the following:

1. All preconceptions must be eradicated. […]
2. The subject matter of every sociological study should comprise a group of phenomena defined in advance by certain common external characteristics, and all phenomena so defined should be included within this group. […]
3. When, then, the sociologist undertakes the investigation of some order of social facts, he must endeavour to consider them from an aspect that is independent of their individual manifestations. (Durkheim 1938, pp.31-45)

Number (1) is the methodological application of the principle that ontology must be ignored. However, the eradication of all preconceptions from the human mind is an impossible endeavour. It is precisely an awareness of these preconceptions that is important to any kind of possibly objective analysis of the ideology-laden social realm.

An example of number (2), the kind of common external characteristic by which a certain social fact can be defined, is, “we call every punished act a crime”
Punishment is the external characteristic used to define those social facts categorised as crimes. Durkheim argues that despite the very simplistic nature of this definition, it is simply a technique to delimit the frame of analysis. He does not use this definition to explain the social fact in question. However, Durkheim concurrently argues that if crimes in society are punished, then there must be an “intimate bond” between this social fact and the manner in which society responds to it (Durkheim, pp.42-43). Durkheim reifies socially constructed responses to socially constructed concepts.

What Durkheim is arguing in (3) is that social facts must be understood from an empirical standpoint. He states that:

[C]ollective habits find expression in definite forms: legal rules, moral regulations, popular proverbs, social conventions, etc. As these forms have a permanent existence and do not change with the diverse applications made of them, they constitute a fixed object, a constant standard within the observer’s reach, exclusive of subjective impressions and purely personal observations. (Durkheim 1938, p.45)

Durkheim attributes objectivity to these structures on the basis of their more or less enduring nature. It is observably untrue that “moral regulations” and “social conventions” “have a permanent existence and do not change with the diverse applications made of them”. Durkheim, once again, reifies socially constructed Institutions that contain within them no more objective reality than the subjective manifestations of social facts within individual consciousnesses.

For Durkheim, once social facts have been observed and identified, the sociological method should proceed to classify them with regard to the specific socio-historical contexts in which they appear. This is because Durkheim prescribes that social facts should be explained with regard to antecedent social facts. Things should explain things. Through this method of classification, social facts can be ordered chronologically.

Finally, the aim of the sociological method is to establish laws. According to Durkheim, this can be done using a single experimental method, the only one applicable to sociology: the comparative method. If two social facts are observably causally linked, Durkheim argues, then a law exists governing this causal link.
Therefore, a law may be inferred by comparative experimentation of this causal link, that is, by careful examination of all of the empirical evidence that may be collected with regard to the causal link between the two social facts in question and experimenting as to the manner in which changes occur causally (Durkheim, 1938, p.125; pp.130-131).

The manner in which social facts are defined and then classified by Durkheim attributes to them an ontology contrary to postmodern social ontology. Institutions are not things; they are not fixed in a manner in which they may be classified. Institutions are not of the same ontology as the objects of study of the other sciences precisely because they are constructed by human beings and require them for constant reproduction. It is in the ontology of these human beings that the difference is emphasised. Human beings have choice and may choose to not reproduce these Institutions. The ontology of Institutions is inextricably linked to the ontology of human beings. A “realist” methodology must reflect this. Durkheim’s methodology does not. It is doomed from the moment Durkheim chooses to ignore ontology.

4.2.2 Sartre: The Regressive-Progressive Method

According to Lawson (1997, 2003, 2006), a “realist” methodology must be based on, and continually respectful of, the ontology that one deems as real. The starting point for understanding is not a pre-existing method but the development of a method from the starting point of ontology. Sartre proceeds in this manner. From the starting point of his own ontology, outlined in Chapter Three, Sartre (1960, 1968) extrapolates the epistemological implications of such an ontology and then attempts to suggest a method respectful of such an epistemology. Sartre’s ontology has been outlined in Chapter Three. Sartre’s epistemology must now be considered.

Sartre differentiates between “Knowledge”, which should be understood as referring to facts in the objective sense employed by Durkheim, and “comprehension”, which is the sort of knowledge that can be created with regard to the dynamic and transformative phenomena of the sort found in the social world. One cannot have “Knowledge” of the social realm, only comprehension. Sartre describes his epistemology as conceiving that:
[H]uman reality eludes direct knowledge to the degree that it makes it-self. The determinations of the person appear only in a society which constantly constructs itself […]. But these determinations are themselves sustained, internalised and lived […] by a personal project which has two fundamental characteristics: first, it cannot under any circumstances be defined by concepts; second, as a human project it is always comprehensible […]. To make this comprehension explicit [...] reproduces the dialectic movement which starts from simple existing givens and is raised to signify activity. This comprehension, which is not distinguished from praxis, is at once both immediate existence […] and the foundation of an indirect knowing of existence [...]. (Sartre, 1968, pp.170-171)

The nature of knowledge, called comprehension, implied by Sartre’s social ontology is not different to any other facet of existence. Comprehension is a human act like any other; its reality is praxis. The concept of comprehension for Sartre is therefore one that, in general, is indistinguishable from “immediate existence”. In other words, human existence is comprehension, they are one and the same, both found in the movement of reality, in praxis. Comprehension is a human act that at once reproduces and constructs new Institutions. What this epistemology implies is that facts of the sort searched for by Durkheim do not exist in human reality, the best that can be hoped for is a comprehension of the same dynamic and transformative nature as reality itself.

That being said, Sartre distinguishes explicit comprehension from this general comprehension. Explicit comprehension can be understood as a more formalised approach to comprehension, which would be the object of the research of the social sciences. Explicit comprehension is one that is aware of the dynamics of the human reality that it is trying to understand, that is, that human reality is dialectical. It is with regard to explicit comprehension that Sartre outlines his method.

The method that Sartre prescribes is one of perpetual back and forth, a dialectical method for understanding the dialectical dynamic of praxis, the reality of human existence or, rather, social reality:

We shall define the method of the existentialist approach as a regressive-progressive [...] method. It is at the same time an enriching cross-reference
between the object (which contains the whole period as hierarchised
significations) and the period (which contains the object in its totalisation). In
fact, when the object is *rediscovered* in its profundity and in its particularity,
then instead of remaining external to the totalisation […] it enters immediately
into contradiction with it. In short, the simple inert juxtaposition of epoch and
the object gives way abruptly to a living conflict. (Sartre 1968, pp.148-149)

I understand this passage by the terms “object” and “the period” respectively referring
to human agency and Institutional structures. Sartre’s method begins by a regressiv
step. The aim of this regressive step is to understand the period, that is, the
Institutional structures that act on the object of social inquiry. This step reconstitutes
the biography of the social object to be studied, that is, situates it within its socio-
historical context, which I equate once again with Institutional structures. One
attempts, by whichever means one may find, to paint a picture of the conditioning
forces present in this context. Sartre refers to the Institutional makeup of a specific
socio-historical context as the “totalisation”. It is only once this picture has been
exhaustively painted that one can then turn to the progressive step.

The progressive step attempts to situate the praxis of the human action within
these Institutional structures to expose the divergences of these actions from the
conditioning forces at play. This is what Sartre means when he says, “the object is
*rediscovered* in its profundity and in its particularity”. The praxis of human action
will always diverge, at least in part, from the conditioning of Institutions. Actions will
never follow their conditioning exactly. This would be impossible as neither this
conditioning itself nor its source, Institutions, are exact. This is what Sartre means
when he says “it enters immediately into contradiction with it”. This progressive step
may be best understood as looking at what people actually did while maintaining an
awareness of the forces theorised to be acting upon these human beings.

One must then repeat the regressive step such that, in light of the divergences
analysed, one might be able to enquire as to the manner in which these divergences of
transformative human agency served to alter the Institutional structure first
established. This method then continues as a cross-reference, a continual back and
forth. This is the “living conflict” to which Sartre refers. This can be understood as
this dialectical dynamic of conditioning and construction in the movement of praxis.
Explicit comprehension cannot understand the object itself but simply the dynamic of its existence. It is therefore paramount that one is aware of the limits of what can be known in the peculiar discipline of social science, which Sartre refers to as anthropology:

Anthropology will deserve its name only if it replaces the study of human objects by the study of the various processes of becoming-an-object. Its role is to found its knowledge on rational and comprehensive non-knowledge; that is, the historical totalisation will be possible only if anthropology understands itself instead of ignoring itself. To understand itself, to understand the other, to exist, to act are one and the same movement which founds direct, conceptual knowledge upon indirect, comprehensive knowledge but without ever leaving the concrete – that is, history or, more precisely, the one who comprehends what he knows. This perpetual dissolution of intellection in comprehension and conversely, the perpetual redescent which introduces comprehension into intellection as a dimension of rational non-knowledge at the heart of knowledge is the very ambiguity of a discipline in which the questioner, the question, and the questioned are one. (Sartre, 1968, p.174)

This return to epistemology is important because it is necessary to reaffirm Sartre’s ambitions for his own method. Precisely, with regard to the regressive step of the method outlined above, the “historical totalisation” – the Institutional makeup of a socio-historical context – can only be known to the extent to which one knows themselves and the limits of their own knowledge. More generally, the method is only able to create comprehension of the dialectic of human existence: the arrival at conclusions of any sort will only ever, if even achievable, be temporary. Furthermore, as this comprehension is a social act like any other, its own dynamic is dialectical which is what Sartre is referring to with regard to the “perpetual dissolution of intellection in comprehension”. It is also an act of praxis and is therefore transformative of the very thing it is trying to understand. Comprehension must be undertaken with a strong self-awareness of its limits, which are great.

Sartre’s methodology is one in which knowledge is deemed to be dynamic and transformative in the same way as the reality that it is trying to understand. In understanding this reality, one must understand that the nature of knowledge is
nothing more than comprehension, which cannot hope to arrive at any kind of fixed conclusion. Sartre therefore prescribes to take what we know from our philosophical beliefs, our ontology, that there exists at once constructive transformative human agency and conditioning social structures and attempt to comprehend their dialectical relationship in a dialectical manner. A theory of the Institutions in question is to be developed, then a reconstruction of the events that actually happened is analysed, then the effect of this on the Institutional structures is theorised, then the actual events are re-examined, and so on and so forth.

The epistemology and method prescribed by Sartre are both of a pluralist nature. If comprehension is simply life, then a plurality of comprehensions is possible. Likewise, if the method prescribed is simply dialectical to mirror the dialectic of Sartre’s social ontology, then a plurality of methods is acceptable in attempting to theorise the Institutional makeup of a society. This same plurality applies with regard to analysing the actual events that have taken place. We are therefore left in a position that could be accused of methodological relativism. *A priori*, no limits are seemingly placed on this methodological pluralism. This is the issue with attempting to formulate a general social scientific methodology, as I now demonstrate further.

**4.3 Lawson’s Methodology**

Lawson (1997, 2003, 2006, 2012, 2013) has provided the framework for this thesis and arguably has the most clarity with regard to the methodological issues posed by the analysis of the social realm and the manner in which one should approach these issues. Lawson therefore provides a picture of methodology that is clear and particularly self-aware. This being said, many of the ideas already stated are reproduced in Lawson’s work.

**4.3.1 Lawson: Retroduction and Contrast Explanation**

As Lawson’s ontology has previously been discussed in Chapters One and Three of this thesis, I will now consider Lawson’s epistemology.

Lawson joins Sartre in affirming that a postmodern social ontology implies that knowledge must be considered a socially constructed entity like anything else that exists in the social world. “[K]nowledge must be recognised as a produced means of production […]. Knowledge is a social product” (Lawson, 1997, p.25). As I have
already outlined, this implies that knowledge is temporary and changing. Furthermore, knowledge is dialectical:

I am here rejecting positivistic or, more generally, monistic accounts of knowledge […]. And I am reaffirming the familiar realist insight that knowledge […] is a two-way process. Through confronting “objects” of study we learn not only about them but simultaneously about ourselves […]. Knowledge […] is intrinsically a transformational process. […] Although the analytical moment, the elaboration and utilisation of surface patterns, has a role to play in explanatory research, it does not exhaust the latter. Rather the knowledge process is fundamentally dialectical. (Lawson, 2003, p.101)

Knowledge is an Institution just like any other. It is dialectical, changing, and is reproduced and transformed by the actions of human beings.

Lawson, however, like Sartre, does not leave his analysis of the epistemology of social reality here. He specifies that, “knowledgeability presupposes that the social structures acted upon are enduring to some degree” (Lawson, 1997, p.34). Lawson adds the requirement that knowledge be “relatively enduring”. As knowledge exists with the same dynamic as the social structures that it is attempting to understand, these social structures are therefore assumed to be “relatively enduring” such that the knowledge of them may “relatively endure”. It is recognised that social structures and knowledge are transformational. However, Lawson assumes that there will be some continuity in their existence as he posits this as a requirement for one’s understanding of them. “The scientific objective is to identify relatively enduring structures and to understand their characteristic ways of acting” (Lawson, 1997, p.23). Lawson therefore sets out to understand these relatively enduring structures.

First, Lawson seeks to identify a new form of reasoning appropriate to the understanding of social reality. The former dichotomy of deduction and induction is argued to be inappropriate for this kind of analysis. Lawson proposes as its replacement what he calls retroduction:

[T]he central mode of inference is neither deduction or induction. Rather it is retroduction. […] Not much can be said about this process of retroduction independent of context other than it is likely to operate under a logic of
analogy or metaphor and to draw heavily on the investigator’s perspective, beliefs and experience. (Lawson 1997, p.212)

Retroduction is the kind of pluralist reasoning required by the social realm. It is a form of reasoning that embraces subjectivity as inescapable and uses it, with self-awareness, to approach the understanding of the social object to be understood. This mode of reasoning allows for a plurality of methods of understanding and corresponds to the epistemology and ontology already outlined.

Lawson’s method is “contrast explanation”. The method of explanation and understanding appropriate to the social sciences is one in which an explanation is given with regard to events that differ from a perceived norm. In other words, things are explained that someone deems require explanation. There are only two essential requirements for contrast explanation but they raise three problems when this method is applied to the social realm:

The first essential ingredient is an informed […] judgement about conditions operating over some contrast space […]. All that is required of any judgement is that it be suitably informed. It is not necessary that the judgement be wholly correct. […] The second essential ingredient in contrast explanation is that a relation between outcomes within the contrast space is eventually recorded that is regarded by the researcher (or whoever) as surprising or in some way of concern or interest. […] The three-part problem that arises in situations lacking the possibility of producing the sorts of regularity often achieved in controlled experimental contexts, lies in determining how even to start the analysis, how to direct it to get at a specific aspect of a causal mechanism, and how to discriminate between competing hypotheses. (Lawson, 2003, pp.92-93)

In response to the first problem, that of how to start, Lawson states that “[a]n entry point can be occasioned by feelings of surprise, doubt, concern or interest, that accompany some contrastive observations” (Lawson, 2003, p.93). Essentially, Lawson deems the starting point of analysis to be any situation in which an individual may feel as though something needs to be explained.
With regard to the manner in which to direct the ensuing analysis, “[t]he move from phenomenon to cause rests on a logic of analogy and metaphor, luck and ingenuity, here as everywhere else” (Lawson, 2003, pp.94-95). No real method is prescribed as it is argued that the appropriate direction and explanation will not only be specific to the context of explanation but will also be strongly linked to the subjective preferences of the investigator.

Finally, with regard to the manner in which we are to discriminate between different explanations, as this theory prescribes a priori legitimacy to almost any explanation:

The rational course of action is to persevere with the hypothesis that has the greater explanatory power, that accommodates the widest range of evidence, and to see if its explanatory failures, where they exist, can be accounted for by countervailing factors, and so on. (Lawson, 2003, pp.97-98)

Lawson remains consistently vague on this point. It seems as though what is really argued here is that critique is essential. Of course it seems logical to persevere with the best explanation. However, “best” is a problematic tag. I imagine therefore that Lawson is saying that, through peer review, theories will be judged subjectively by how well academic peers believe they explain certain things. When a theory explains something well, it will be retained. This though seems to be the state of things currently, with Lawson’s argument being that “Science everywhere is a messy business” (Lawson, 2003, p.98).

Such a position is surprising as Lawson’s theory is fundamentally one of discriminating between theories. Lawson’s position is that theories imply ontologies and can be judged by the proximity of those ontologies to reality. However, when it comes to discriminating between theories employing a pluralist method, this method of discrimination is nowhere to be seen. This is the problem; it is assumed that methodological pluralism is sufficient to guarantee an a posteriori respect of postmodern social ontology. I restate that this is not the case.

Lawson’s methodology is one of quite individual explanation where the tools available to introspection are indiscriminately advocated as possible routes to explanation. It is a method that is pluralist. One can embark on an explanation in almost whichever manner one pleases. This results in a similar methodological
relativism to that which I have accused Sartre of. The forgotten normative framework of Heterodox Economic Methodology is, in this situation, and with regard to Lawson’s aim to build a “realist” economics, of the utmost importance.

4.3.2 Sartre and Lawson

On the question of epistemology, Sartre and Lawson are on the same page. Understandings of a changing and transformational nature can be produced with regard to social reality. This knowledge is a part of social reality and is therefore of an Institutional nature like anything else. That being said, Sartre and Lawson both make concessions to this position, respectively, through the concepts of “explicit comprehension” and the relatively enduring nature of social structures. Sartre and Lawson do this to make possible the production of the kind of knowledge that could constitute social science.

On the question of method Sartre and Lawson are also very similar. They say that the object of explanation can be anything that one deems requires explanation. Lawson names this a contrastive observation. Lawson makes the assumption that things will only require explanation if they arouse some kind of surprise or interest. Lawson then argues that the manner in which investigation should take place is context-specific and will most probably be indicated by surprise or interest. Sartre, however, is more specific and argues that one should do one’s best to first elaborate the Institutional makeup of the context in which the object of interest has occurred. Then, and only then, should the event of interest be examined to analyse divergences between this event and the Institutional structure. The transformative effects of the event should then be theorised before returning to the event itself, and so on and so forth. Sartre specifies the manner in which one should direct analysis.

Sartre conceives of a never-ending explanatory process whereas Lawson conceives of explanations being arrived at, compared and contrasted and then reformulated, and so on. This is not a difference of substance. Both see knowledge to be changing and transformative. Sartre simply sees a process of continuous explanation whereas Lawson sees pauses of agreement in explanation. Lawson and Sartre’s inferences with regard to epistemology and methodology, in the same manner as their social ontologies, are largely the same.
Sartre and Lawson infer, from a postmodern social ontology, that the epistemology and method, and therefore methodology consistent with this ontology, are pluralist. I am convinced by Sartre and Lawson’s analyses that this is the only general methodological prescription that is consistent with a postmodern social ontology. However, at the level of abstraction of methodology, Sartre and Lawson both find it difficult to place any real restrictions upon this methodology. It pretty much becomes an “anything goes” approach that results in theories being mistakenly thought as respectful of postmodern social ontology. An a priori belief in postmodern social ontology coupled with methodological pluralism is assumed to guarantee an a posteriori respect of social ontology.

This is evidenced by Orléan prescribing Durkheim’s method as that which should govern a general social science. Lawson then deems the following theories to follow methods respectful of postmodern social ontology:

Hayek’s theory of spontaneous order; Smith on the division of labour; Keynes’ explanation of investment volatility [...] ; Marx’s analysis of capitalism [...] contemporary institutionalist, post-Keynesian, Austrian and Marxian traditions. I also find significant overlap with [...] feminist economics. (Lawson, 1997, p.247)

I have demonstrated, at the very least, that both Marx and Smith, by the labour theory of value, presuppose an ontology that Heterodox Economic Methodology would judge as unrealistic. Therefore, the assumption that an a priori belief in postmodern social ontology, coupled with methodological pluralism, will result in theories that a posteriori presuppose the same postmodern social ontology is wrong. Theories, such as Marx and Durkheim’s, complete the two assumed criteria but a posteriori presuppose an unrealistic social ontology. Heterodox economic approaches, not to mention approaches to understanding the social realm in general, should not be excused judgment by the normative framework of Heterodox Economic Methodology. Pluralism can presuppose unrealistic ontologies with as much ease as the mathematical-deductivist method; they are just harder to spot.
4.4 Judging Methodology

Heterodox Economic Methodology has a fundamental requirement: social theory must be “realist”. “Realist” means that the ontology presupposed by a theory’s method is consistent with the pre-defined “real” ontology of Heterodox Economic Methodology. I have argued that this ontology is postmodern social ontology.

First, I have demonstrated in this chapter that a simple belief in postmodern social ontology, as I have argued is held by Durkheim, is insufficient to guarantee the a posteriori respect of postmodern social ontology. Durkheim is perfectly capable, from a starting point of recognising the socially constructed and socio-historically nature of Institution, of building a theory that a posteriori attributes to Institutions the ontology of classifiable things. This is my first argument: a priori belief in postmodern social ontology does not guarantee a posteriori respect of postmodern social ontology.

The project of Heterodox Economic Methodology is to build a “realist” general methodology for social science. The manner in which Heterodox Economic Methodology prescribes that this methodology should be built is from the starting point of postmodern social ontology. I have analysed two formulations of methodology built in this way, those of Sartre and Lawson, and have demonstrated that they arrive at the same general conclusion. The consistently inferred epistemology and methodology, from the starting point of postmodern social ontology, are pluralist. I believe this to be the correctly inferred methodological prescription for a general methodology for the social sciences.

However, I have also demonstrated in this chapter that methodological pluralism is insufficient to guarantee the a posteriori respect of postmodern social ontology. The argument underpinning this entire thesis is that heterodox – that is pluralist – theories can presuppose an unrealistic social ontology. Furthermore, even theories that believe in a postmodern social ontology and employ a pluralist methodology are able employ methods that presuppose an unrealistic social ontology. The prime example of this is Marx. This is my second argument: the combination of an a priori belief in postmodern social ontology and methodological pluralism does not guarantee the a posteriori respect of postmodern social ontology. The question to ask now is: why does it not?
It does not because the methodological project of Heterodox Economic Methodology is on the front line of a paradigm shift. The ontology posited by Heterodox Economic Methodology as the judge, jury, and executioner of social theory, is in fact a revolutionary ontology, in radical opposition to the ontology that previously underpinned philosophy. This previous ontology, one in which social structures were posited as having the ontology of Substances/Essences, was the reality of the previous philosophical paradigm: modernism. The ontology of Substance/Essence, I have argued, is structurally required by theory built within this paradigm. To develop a methodology that would structurally presuppose, or guarantee a respect of, postmodern social ontology, would require a radical split from previous theorisation. This seems quite unfathomable with the extent that modernism has influenced the western world as we know it. A general methodology for social science that would structurally presuppose a postmodern social ontology would require, currently, an impossible revolution in thought.

Thus at the present time the best methodological prescription that can generally be made to those disciplines that study the social realm is, first, to recognise and keep in mind the Institutional nature of social reality and, secondly, to employ a pluralist methodology. But this is not enough for “realism”.

That being said, what we do have is a normative framework by which the methods of theories can be judged with regard to their proximity to postmodern social ontology. It is through the general application of this normative framework to social theories that the greatest progress will be made towards building a community of theorists that respect postmodern social ontology. We cannot guarantee a priori that a theorist will conform to the criterion of Heterodox Economic Methodology: “realism”. This same school, however, provides a framework that can weed out those theories that do not. Until a general revolution in thought occurs, a posteriori judgement is the best we can do in the fight for “realism”.
Conclusion

In this thesis, I set out to analyse *The Empire of Value*. I specifically sought to examine the analysis of the “theory of value” in economics. Orléan provides the novel observation that the utility and labour theories of value both employ a method that results in attributing to value the ontology of a Substance/Essence. Orléan rejects this ontology on the basis that it is unrealistic. Generally then, Orléan argues that a Substance/Essence ontology of social structures is unrealistic. In reality, social structures, including value, are Institutions. I analysed Orléan’s theory by inferring the ontology that it presupposes, which remains undefined in *The Empire of Value*.

This approach is based on the work of Lawson, who I have included more generally as belonging to the school of thought that I have named Heterodox Economic Methodology. This school posits that social theory must be “realist”. By “realist”, Heterodox Economic Methodology means consistent with a pre-defined ontology deemed “real”. I divided this theory into two parts, a normative framework and a methodological project. The normative framework stipulates that ontology can be inferred from method, this ontology can then be judged based on its proximity to the pre-defined “real” ontology. Theory is “realist” if these two are consistent. Otherwise, theory is unrealistic. The methodological project is then that a general social scientific methodology can be built upon a “real” social ontology. Orléan has the same approach except that he judges ontology as unrealistic without comparison to a pre-defined “real” ontology.

I have argued that the “real” ontology presupposed by Orléan is postmodern. What I mean by this is that the philosophy that underpins the rejection of a Substance/Essence ontology of social structures, and its replacement by an Institutional ontology of social structures, is a philosophy that was developed by opposing a different philosophical position. Moreover, I have argued that the philosophy opposed is not just any but the previously prevailing modernist paradigm. A Substance/Essence ontology of social structures underpinned western thought until the second half of the twentieth century. Hence, rejecting this position is part of a paradigm shift. I have argued that Lawson and Orléan share the same belief as to the reality of social ontology. Therefore, I have argued that the ontology fundamental to Heterodox Economic Methodology is postmodern social ontology.
This has an important implication for the methodological project of Heterodox Economic Methodology. This means that the general social scientific methodology to be developed requires a revolutionary shift in thought, which seems currently impossible. I have proposed this as the explanation for the failure of this general methodology to guarantee the “realism” required by Heterodox Economic Methodology. Although methodological pluralism is currently the best methodological prescription available for social science, I have demonstrated that this is insufficient to guarantee “realism”. Hence, the methodological project of Heterodox Economic Methodology fails in its main aim. The building of a general social scientific methodology is not currently the best course of action in aiming to spread “realism”.

We can, however, judge the “realism” of theories. This is for the moment a technique that is largely neglected with regard to those theories that can be classified as “heterodox” by their use of a pluralist methodology. Although a priori it is unfeasible to guarantee the methodological respect of postmodern social ontology, a posteriori it is possible to judge whether the methods employed by theories presuppose a postmodern social ontology. Therefore, I suggest that the best course of action in aiming to spread “realism” in social science is the general judgment of social theories by the normative framework of Heterodox Economic Methodology.
Appendix A

Extrait – L’empire de la valeur

I. La définition d’une Institution
« Selon la belle définition qu'en donnent Paul Fauconnet et Marcel Mauss: ‘Qu'est-ce en effet qu'une institution sinon un ensemble d'actes ou d'idées tout institué que les individus trouvent devant eux et qui s'imposent plus ou moins à eux? Il n'y a aucune raison pour réserver exclusivement, comme on le fait d'ordinaire, cette expression aux arrangements sociaux fondamentaux. Nous entendons donc par ce mot aussi bien les usages et les modes, les préjugés et les superstitions, que les constitutions politiques ou les organisations juridiques essentielles ; car tous ces phénomènes sont de même nature et ne diffèrent qu'en degré. L'institution est en somme dans l'ordre social ce qu'est la fonction dans l'ordre biologique: et de même que la science de la vie est la science des fonctions vitales, la science de la société est la science des institutions ainsi définies’ (‘La sociologie: objet et méthode’, in Marcel Mauss, Œuvres, tome III: Cohésion sociale et divisions de la sociologie, Paris, Éditions de Minuit, 1974, p. 150). » p.212

II. La Valeur
« Pour le dire succinctement, nous refusons d'admettre que la valeur marchande puisse s'identifier à une substance, comme l'utilité, qui préexiste aux échanges. Il faut plutôt la considérer comme une création sui generis des rapports marchands, par laquelle la sphère économique accède à une existence séparée, indépendante des autres activités sociales. Les relations marchandes possèdent leur propre logique de valorisation dont la finalité n'est pas la satisfaction des consommateurs mais l'extension indéfinie du règne de la marchandise. Que, pour ce faire, la marchandise prenne appui sur le désir d'utilité des individus est possible, et même avéré, mais l'utilité n'entre dans la valorisation que comme une composante parmi d'autres. Il n'y a pas lieu d'enfermer la valeur marchande dans cette seule logique. La quête de prestige que manifestent les luttes de distinction est un aiguillon également puissant du rapport

aux objets. Plus généralement, dans de multiples situations, la valeur se trouve recherchée pour elle-même, en tant que pouvoir d'achat universel. Notre projet de refondation trouve ici sa définition: saisir la valeur marchande dans son autonomie, sans chercher à l'identifier à une grandeur préexistante, comme l'utilité, le travail ou la rareté. » p.12

« [U]ne constatation préliminaire s'impose: la théorie de la valeur utilité partage avec la théorie de la valeur travail une manière identique de concevoir la valeur et son objectivité, sans équivalent dans les autres sciences sociales. Toutes deux y voient l'effet d'une « substance » ou qualité que les biens marchands posséderaient en propre. Cette hypothèse que nous nommerons « hypothèse substantielle » tend à « naturaliser les rapports économiques. En accordant la primauté aux objets, elle construit une « économie des grandeurs » au détriment d'une « économie des relations ». Mettre au jour cette structure conceptuelle permet de comprendre que les impasses actuelles de la théorie économique ont des racines profondes. Y remédier passe nécessairement par une « refondation » conceptuelle. Il s'agit de promouvoir un nouveau cadre global d'intelligibilité appréhendant la réalité économique sous une nouvelle perspective. Par ailleurs, cette analyse, parce qu'elle permet de faire émerger, par-delà la coupure entre classiques et marginalistes, une structure conceptuelle commune, établit l'unité profonde de la pensée économique et en révèle l'origine : l'hypothèse substantielle. Ce résultat ne doit pas être négligé. La prétention à une scientificité poppérienne comme la revendication d'autonomie à l'égard des autres sciences sociales comptent parmi ses expressions les plus notables. On les trouve présentes chez des auteurs que par ailleurs tout, ou presque, oppose. C'est cette tradition qui doit aujourd'hui être transformée. » pp.22-23

« L'hypothèse substantielle
La tradition économique nomme « théorie de la valeur » les approches qui cherchent à découvrir le secret de l’échangeabilité marchande dans l’hypothèse d’une « substance » ou qualité conférant aux biens une valeur intrinsèque. Le plus souvent, ce livre se conformera à l’usage et retiendra la qualification usuelle de « théorie de la valeur » pour les désigner, mais sans jamais perdre de vue que, sous cette appellation d’apparence générale et neutre, se cache en fait une conception très particulière.
Lorsqu'il s'agira de les distinguer d'autres approches, le terme, plus lourd mais plus précis, de « théorie substantielle de la valeur », ou encore de « théorie de la valeur substance », sera utilisé. Historiquement, deux « substances » ont été prises en considération par les économistes : le travail et l'utilité. Cependant, quelle que soit la substance considérée, ces approches partagent la même conception principes selon laquelle, pour penser l'échange, il convient d'aller par-delà l'apparence des transactions monétaires de façon à mettre en évidence la présence d'une grandeur cachée qui préexiste logiquement aux transactions et les organise. L'idée d'une valeur objective ordonnant de l'extérieur l'anarchie apparente des échanges marchands trouve dans ce corps de doctrine son hypothèse fondatrice. Elle façonne en profondeur le regard que les économistes portent sur la réalité. Il s'agit de faire apparaître ce qui est dissimulé : la loi de la valeur qui, à l'insu des échangistes, commande aux transactions. Il y a des échanges parce qu'il y a de la valeur et cette valeur se présente comme une qualité que possèdent en propre les biens marchands.

Ainsi, Léon Walras commence-t-il ses Éléments d'économie politique pure par une spécification de ce qu'est la richesse sociale en partant de la notion de rareté: « J'appelle richesse sociale l'ensemble des choses matérielles ou immatérielles qui sont rares, c'est-à-dire qui, d'une part, nous sont utiles, et qui, d'autre part, n'existent à notre disposition qu'en quantité limitée. » Comme on le note, cette définition de la rareté renvoie à des réalités indépendantes de l'échange, à savoir l'utilité et une quantité limitée. Il énonce ensuite que la rareté, propriété objective, est ce qui confère de la valeur aux objets et fonde, de ce fait, l'échange. La nature de la valeur est ainsi totalement spécifiée par des critères objectifs. L'échange en découle logiquement. Comme le dit Walras lui-même, le fait de l'échange est déduit a priori de cette substance spécifique qu'il nomme « rareté ». Une fois la valeur explicitée dans la première section des Éléments d'économie politique pure, Walras passe à l'étude de l'échange de deux marchandises entre elles (section II), puis à celle de l'échange de plusieurs marchandises entre elles (section III). Il démontre que, à l'état d'équilibre, le rapport des valeurs est égal au rapport des raretés. Ce n'est qu'en tout dernier lieu que la monnaie se trouve introduite. Cette progression valeur, troc, monnaie est caractéristique de l'hypothèse substantielle.

Pour ce qui est de la théorie de la valeur travail, elle trouve son expression la plus aboutie chez Karl Marx. Dans le premier chapitre du Capital, Marx considère deux marchandises, du froment et du fer, et il observe que, dans l'échange, «une
quantité donnée de froment est réputée égale à une quantité quelconque de fer ». À partir de cette observation, il s’interroge sur ce que signifie cette égalité. Il répond: « C'est que [dans ces deux objets différents, le froment et le fer], il existe quelque chose de commun. » En conséquence, il cherche à déterminer ce « quelque chose de commun ». Selon lui, ce « quelque chose de commun » ne peut pas être « une propriété naturelle quelconque, géométrique, physique, chimique, etc. » Plus largement, il écarte tout ce qui est de l'ordre de la valeur d'usage. Il conclut avec assurance : « La valeur d'usage des marchandises une fois mise de côté, il ne reste plus qu'une qualité, celle d'être des produits du travail » ! Plus loin, il précise : « Tous ces objets ne manifestent plus qu'une chose, c'est que dans leur production une force de travail humaine a été dépensée [...]. En tant que cristaux de cette substance sociale commune, ils sont réputés valeurs. » En l'occurrence, cette « substance sociale commune » est mesurée par le temps de travail socialement nécessaire à la production des biens. Il écrit : « Nous connaissons maintenant la substance de la valeur: c'est le travail. Nous connaissons la mesure de sa quantité: c'est la durée du travail. »

A l'évidence, chez Marx, la valeur substance a le statut d'une hypothèse *a priori* qui structure le regard de l'économiste et lui dicte ce qu'il doit voir. Elle est une construction conceptuelle et non pas un fait d'observation. Certes Marx cherche à persuader son lecteur qu'il suffirait d'examiner attentivement les échanges pour que la valeur travail se révélât à ses yeux. Mais sa démonstration n'est guère convaincante. Pourquoi rejeter la valeur d'usage comme source potentielle de la valeur? Ou encore, une fois celle-ci rejetée, pourquoi ne resterait-il que le travail humain pour justifier la commensurabilité ?

Ces deux auteurs illustrent parfaitement l'hypothèse substantielle. Il s'est agi pour Marx comme pour Walras de mettre au jour une grandeur, le travail socialement nécessaire, pour le premier ; la rareté pour le second, qui fonde la valeur et, ce faisant, l'échange. La force de cette construction tient au fait que ces grandeurs peuvent être calculées sans référence aux échanges. Une fois l'économie marchande spécifiée par ses productions et ses consommations, il est possible de calculer la valeur de toutes les marchandises. Ces grandeurs peuvent être dites objectives. Ceci est clair pour Marx. C'est également vrai de Walras mais demandera quelques explications supplémentaires dans la mesure où l'objectivité de l'utilité renvoie à des préférences individuelles qui sont subjectives. Cependant, dès lors que ces dernières sont supposées exogènes, rien ne les distingue plus des fonctions de production. Elles sont
tut autant objectives du point de vue du théoricien de la valeur. Elles sont des données à partir desquelles les valeurs se déduisent. » pp.24-27

III. Marx

« Le fétichisme de la marchandise

Lorsque, à la lumière de tous nos résultats précédents, on examine l'hypothèse substantielle dans la globalité de ses déterminations, il apparaît nettement qu'elle avance une conception du monde marchand centrée sur les objets. Elle ne met qu'au second plan les rapports des acteurs entre eux dans la mesure où l'intelligibilité des faits économiques primordiaux, comme les prix et les volumes échangés, repose intégralement sur le calcul des valeurs. Pour désigner cette spécificité si forte, il sera dit que la tradition économique privilégie une « économie des grandeurs » au détriment d'une « économie des relations ». Cette manière de faire n'a rien de choquant a priori, dans la mesure où elle réfléchit un fait propre aux économies marchandes: les individus séparés y entrent en relation non pas directement mais par l'intermédiaire de la circulation des marchandises. C'est par le biais de l'objectivité des valeurs que les producteurs-échangistes font l'expérience du social. Ce faisant, la primauté des grandeurs, sous la forme du « combien », s'impose à la conscience de tous les protagonistes. De ce point de vue, la théorie de la valeur est fidèle à la manière dont les économies marchandes se présentent aux acteurs: la valeur et ses évolutions s'imposent à eux à la manière d'une puissance naturelle face à laquelle ils sont impuissants. « Ces [quantités de valeur] changent sans cesse, indépendamment de la volonté et des prévisions des producteurs aux yeux desquels leur propre mouvement social prend ainsi la forme d'un mouvement des choses, mouvement qui les mène, bien loin qu'ils puissent le diriger. » Les théories de la valeur collent à l'expérience commune d'une valorisation objective qui échappe à la « volonté et aux prévisions ». La question se pose alors de savoir quel est le statut de cette représentation. Est-elle la vérité ultime des économies marchandes?

Cette question trouve son analyse la plus fouillée chez Marx lorsqu'il introduit ce qu'il nomme le « fétichisme de la marchandise » dans le premier chapitre du Capital. Il s'agit précisément pour lui d'étudier la perception que les acteurs ont des marchandises, comme des « êtres indépendants, doués de corps particuliers, en communication avec les hommes et entre eux ». À rebours de cette manière de voir
commune aux individus marchands, Marx souligne que la valeur est un fait social, produit spécifiquement par la séparation marchande, et en rien une grandeur « naturelle ». Il écrit: « La forme valeur et le rapport de valeur des produits du travail n'ont absolument rien à faire avec leur nature physique. C'est seulement un rapport social déterminé des hommes entre eux qui revêt ici pour eux la forme fantastique d'un rapport des choses entre elles. » Pour Marx, de la même manière que certains peuples considèrent faussement telle ou telle propriété comme appartenant en propre aux objets fétiches, les acteurs économiques considèrent que la valeur appartient en propre à la marchandise, comme une qualité naturelle. Les uns comme les autres ne perçoivent pas la nature exacte du phénomène qu'ils ont sous les yeux. Pour autant, nous dit Marx, cette manière de voir n'est pas une illusion. Elle est constitutive de la réalité marchande: la valeur avance masquée, sous la forme d'une grandeur objective, intrinsèque aux marchandises : « elle ne porte pas sur le front ce qu'elle est ». Autrement dit, l'abstraction de la valeur est constitutive de la réalité marchande. C'est ce que veut dire Marx lorsqu'il écrit: « Les catégories de l'économie bourgeoise sont des formes de l'intellect qui ont une vérité objective, en tant qu'elles reflètent des rapports sociaux réels, mais ces rapports n'appartiennent qu'à cette époque historique déterminée, où la production marchande est le mode de production social. » Ceci exprime parfaitement la position subtile de Marx. On trouve, chez Antoine Artous, une défense minutieuse d'un tel point de vue :

« Pour Marx, les marchandises sont des choses "sensibles, suprasensibles", les formes de pensée ont une objectivité sociale et, somme toute, le rapport social ne tient pas debout sans les représentations qui l'accompagnent et le structurent. Dès lors, le phénomène du fétichisme ne relève pas d'une simple illusion de conscience - individuelle ou collective -, il ne renvoie pas seulement à l'apparence des rapports sociaux, à la surface des choses, il traduit le mode d'existence des rapports de production capitalistes, leur forme sociale objective. »

Autrement dit, si l'objectivité de la valeur est constitutive de la réalité marchande, il importe, pour le théoricien, de ne jamais perdre de vue que cette objectivité est le produit historique d'une certaine structure sociale. La valeur n'est pas une grandeur naturelle même s'il « semble qu'il existe dans [les marchandises] une
propriété de s'échanger en proportions déterminées comme les substances chimiques se combinent en proportions fixes ». Le théoricien ne doit pas se laisser prendre à ces apparences. Il doit éviter de tomber dans l'illusion fétichiste et, pour ce faire, ne jamais oublier que la forme marchandise est le résultat d'un rapport social particulier, historiquement déterminé, la production marchande: les objets « ne deviennent des marchandises que parce qu'ils sont les produits de travaux privés, exécutés indépendamment les uns des autres ». Cette thèse est également au cœur du présent livre car celui-ci a pour projet de construire un cadre conceptuel qui pense la valeur pour ce qu'elle est, non pas une substance, mais une institution sociale-historique : l'institution qui est au fondement de l'économie marchande. Cependant, contrairement à Marx, ce livre soutient que, pour être mené à bien, ce projet nécessite absolument de rompre avec l'hypothèse substantielle. Cette rupture est cruciale à nos yeux car elle nous apparaît comme la condition même pour sortir du fétichisme de la marchandise, c'est-à-dire pour penser la nature sociale de la valeur. Nous aurons l'occasion de préciser dans les chapitres à venir ce que cela signifie. Mais, avant de faire ceci, il importe de répondre à un argument de poids: Marx ne prouve-t-il pas la fausseté de ce projet en démontrant par son œuvre même qu'il est possible de faire tenir ensemble, et la critique du fétichisme, et l'hypothèse substantielle? Nous voudrions montrer dans la suite de cette section qu'il n'en est rien: son adhésion à la théorie de la valeur travail conduit Marx, malgré lui, à des positions qui sont en contradiction flagrante avec son approche sociale-historique des rapports marchands, en particulier sa critique du fétichisme.

Démontrer ceci, c'est faire comprendre que la valeur substance et la valeur institution sont deux approches irréconciliables. Comment une substance, par nature éternelle, comme le travail et l'utilité, pourrait-elle donner accès à une conception sociale-historique de la valeur ? Il y a là une antinomie irréductible. Au contraire, ce qui est pleinement conforme à l’hypothèse substantielle est l’idée qu’il y a toujours eu de l’économie marchande, comme il y a toujours eu de la valeur économique : que ce soit par le fait du travail auquel les hommes ont toujours été contraints pour assurer leur existence, ou que ce soit par le fait des biens utiles dont les hommes ont toujours eu besoin. Dans les deux cas, c’est une même conception « naturaliste » des rapports économiques qui s’impose au détriment d’une approche historique. Cette pensée « naturaliste » peut être défendue mais ce n’est pas celle de Marx. Aussi, comme Marx retient l’hypothèse substantielle, cela le conduit, dans certains passages, à
s’opposer à lui-même lorsqu’il semble se faire le défenseur d’une interprétation transhistorique de la valeur travail. Cette dérive trouve dans la détermination quantitative de la valeur travail un terrain particulièrement propice : parce que le « temps de travail socialement nécessaire » est une quantité qui peut être calculée pour tout produit, quels que soient les rapports de production, c’est naturellement qu’on est conduit à le regarder comme étant une grandeur « naturelle », à savoir une grandeur vide de rapports sociaux. En effet, rien dans son calcul formel ne fait référence aux relations marchandes d’échange. D’ailleurs, de tels calculs ont été effectués pour des sociétés non marchandes. Chez Marx, la critique du fétichisme n’est pas articulée de l’intérieur à la détermination quantitative de la valeur travail. Elle apparaît comme un ajout qui vient spécifier cette dernière de l’extérieur à la manière d’une mise en garde.

Personne mieux que Cornelius Castoriadis n’a mis en évidence cette contradiction du texte de Marx, oscillant entre deux conceptions antagoniques. Conformément à ce qui vient d’être écrit, il en repère l’origine dans la notion de substance, en ce qu’elle renvoie à une qualité « dotée d’une signification absolue », manifestant « ce qui était là toujours, depuis toujours et dans le toujours ». Penser ainsi, c’est introduire l’existence de déterminations universelles, valides quels que soient les rapports sociaux considérés. Castoriadis écrit : « L’antinomie de la pensée de Marx est que ce Travail qui modifie tout et se modifie constamment lui-même est en même temps pensé sous la catégorie de la Substance/Essence, de ce qui subsiste inaltérable [ ], ne se modifie pas, ne s’altère pas, subsiste comme fondement immuable des attributs et des déterminations changeantes. » Pour illustrer son propos, Castoriadis rappelle que Marx lui-même montre Robinson, dans son île, procédant à une comptabilité de son temps de travail dans le but final d’établir une allocation de celui-ci entre ses diverses activités productives « selon la plus ou moins grande difficulté qu’il a à vaincre pour obtenir l’effet utile qu’il a en vue » ; ce qui, en bon langage économiste, se traduit par : «maximiser son utilité ». Marx conclut à propos des calculs de Robinson: « Son inventaire contient le détail [ ] du temps de travail que lui coûtent en moyenne des quantités déterminées de ces divers produits. [...] Toutes les déterminations essentielles de la valeur y sont contenues. » Autrement dit, dans ce passage, la valeur travail se donne à voir comme une catégorie transhistorique s’imposant à Robinson comme à l’économie marchande. C’est même vrai, ajoute Marx, pour la société communiste à venir pour laquelle « [tout] ce que nous avons dit
du travail de Robinson se reproduit, mais socialement et non individuellement ». La dimension historiquement déterminée que revendique Marx pour la valeur, comme propre à la production marchande, dans de nombreux passages de son œuvre, est ici absente. Castoriadis multiplie les exemples de cette oscillation perpétuelle: « Marx peut penser la Substance Travail tantôt comme purement physiologique-naturelle, et tantôt comme pleinement sociale, tantôt comme transhistorique et tantôt comme liée spécifiquement à la phase capitaliste, tantôt comme manifestation de la réification de l'homme sous l'exploitation capitaliste et tantôt comme le fondement qui permettrait un "calcul rationnel" dans la société à venir. » Il conclut en soulignant: « La vraie borne historique aussi bien d'Aristote que de Marx est la question de l'institution. C'est l'impossibilité pour la pensée héritée de prendre en compte le social-historique comme mode d'être non réductible à ce qui est "connu" ailleurs. » C'est parce que l'approche substantielle est, en sa structure même, oubli de l'institution qu'elle se montre inapte à étayer un discours qui pense les faits économiques à la lumière des rapports sociaux historiquement constitués qui les ont produits. Il faut donc conclure qu'être fidèle à la conception sociale-historique de l'économie capitaliste impose de rompre avec l'hypothèse substantielle pour penser l'institution de la valeur. Il y a une contradiction entre l'hypothèse d'une substance, dont la validité est par nature universelle, et l'insistance à considérer la valeur comme une réalité spécifique à l'ordre marchand. »

IV. Durkheim

« [L]a valeur économique n'est pas une substance mais une puissance de nature spécifiquement sociale, née de la multitude et étendant ses effets à tous les membres de celle-ci au travers des représentations qu'elle donne d'elle-même. Une des forces de cette conception est qu'elle n'est pas limitée à la seule économie ; on la retrouve dans de nombreuses analyses sociologiques. Autrement dit, une fois rejetée l'hypothèse de la valeur substance, il est possible d'élaborer un modèle général d'intelligibilité des valeurs qui englobe également l'activité économique. Cette perspective unitaire occupe une place stratégique dans notre projet : à nos yeux, une véritable refondation de l'économie passe nécessairement par l'affirmation de son appartenance à part entière aux sciences sociales. Il faut défendre l'idée que le fait économique est un fait social comme un autre. Il ne possède en rien une essence particulière qui justifierait
une épistémologie spécifique ou une discipline indépendante. Ce point est essentiel : selon nous, les sciences sociales relèvent toutes d'une même intelligibilité. Nous proposons le terme d'« unidisciplinaire » pour qualifier cette perspective qui vise à surmonter les divisions artificielles que connaissent actuellement les sciences sociales, en affirmant leur profonde unité conceptuelle. On ne saurait surestimer les conséquences d'une telle position, non seulement quant à l'architecture globale des sciences sociales, mais également pour ce qui est de la manière dont chacune d'elles conçoit son objet. On peut en espérer des avancées considérables, et d'abord pour l'économie elle-même qui, prisonnière de sa conception de la valeur substance, est fortement limitée dans son aptitude à déchiffrer le capitalisme » pp. 186-187

« Chapitre V – Un cadre unidisciplinaire pour penser la valeur

Comme toute valeur, religieuse, esthétique, morale ou sociale, la valeur économique a la dimension d’un jugement portant sur la puissance des individus ou des objets. Ainsi la valeur esthétique est-elle la reconnaissance du degré de puissance de certains individus ou objets dans le champ des activités artistiques. La question centrale que les valeurs posent aux sciences sociales est celle, énigmatique, de leur objectivité, sans laquelle il n’y aurait pas de valeurs au sens propre mais un ensemble épars d’estimations subjectives. Durkheim en souligne bien la centralité lorsque, après avoir considéré divers jugements de valeur du type « ce tableau a une grande valeur esthétique », « ce bijou vaut tant », il note : « Dans tous les cas, j’attribue aux êtres et aux choses dont il s’agit un caractère objectif, tout à fait indépendant de la manière dont je le sens au moment où je me prononce […]. Toutes ces valeurs existent donc, en un sens, en dehors de moi. » Or, souligne Durkheim, la valeur renvoie à une capacité à produire du désir chez les sujets. Comment, dans ces conditions, concilier ces deux dimension : le désir, d’un côté, et l’objectivité, de l’autre ? Il écrit :

« Ce qui a de la valeur est don à quelque titre ; ce qui est bon est désirable ; tout désir est un état intérieur. Et pourtant les valeurs dont il vient d’être question ont la même objectivité que des choses. Comment ces deux caractères, qui, au premier, abord, semblent contradictoires, peuvent-ils se réconcilier ? Comment un état de sentiment peut-il être indépendant du sujet qui l’éprouve ? »
On aura noté à quel point ce questionnement se retrouve à l’identique chez les économistes. Il n’y a rien dans la valeur économique qui, ontologiquement, la distingue de ses consœurs des sciences sociales. Durkheim en était si convaincu qu’il n’hésite pas à écrire : « Certes, il a des types différents de valeurs, mais ce sont des espèces d’un même genre. » Ce qui va produire l’autonomisation de l’économie que l’on connaît, ce n’est donc pas la spécificité de la question qui lui est posée – puisque cette question est commune à toutes les sciences sociales – mais la particularité de la réponse qui lui a été apportée par les économistes. Ceux-ci ont élaboré un cadre théorique de la valeur, qui attribue l’objectivité de la valeur économique à l’existence d’une substance sociale, travail ou utilité, dont la grandeur peut être mesurée. Sur un tel socle, comme on l’a souligné, s’est constituée une tradition de pensée indépendante en rupture avec le raisonnement sociologique, ce que nous avons nommé une « économie des grandeurs ». Elle a pour trait caractéristique de ne faire aucune place aux représentations et aux croyances collectives. On ne saurait imaginer rupture plus radicale.

Tout l’effort théorique poursuivi au long du présent livre vise à réaffirmer la loi commune de la valeur pour en finir avec le séparatisme qui caractérise l’économie en tant que discipline. Bien qu’elle ait l’apparence d’un nombre, la valeur économique est bien une puissance de nature sociale, en l’espèce un pouvoir sur autrui qui prend la forme d’une pouvoir d’achat sur les choses, dont l’origine est dans la capture universelle des désirs individuels de liquidité. Ce qui demande à être compris est la nature de cette puissance : comme un sentiment collectif s’extériorise durablement dans un objet ? Cette question a reçu de longs développements de la part des sciences sociales. Confiance, affect commun, puissance de la multitude, croyances collectives sont les concepts proposés pour en appréhender la nature » pp. 188-190

« [L]a valeur est une puissance qui a pour origine le groupe social, par le biais de la mise en commun des passions et des pensées. Introduire cette réalité collective en économie constitue une innovation de grande ampleur là où d’ordinaire les économistes ne reconnaissent que l’action des volontés privées. Cette réalité n’est pas propre à l’économie. Elle est même, aux yeux de Durkheim, caractéristique du « fait social ». Il devient alors possible d’imaginer un cadre théorique unidisciplinaire qui
mettrait fin au schisme qui déchire les sciences sociales entre économie, d'un coté, et sciences historiques de l'autre. » p.199

« Durkheim: une conception unidisciplinaire de la valeur

Au cœur de toute l'œuvre de Durkheim, on trouve la thèse selon laquelle le groupe social est porteur d'une vie psychique d'un genre particulier, possédant une énergie et une autorité qu'on ne retrouve pas chez les individus isolés. Durkheim n'utilise pas le terme d'« affect commun» mais, lorsqu'il parle de sentiment commun ou de pensée collective, c'est bien cette réalité qui est décrite. Cette vie psychique particulière, *sui generis*, joue, selon lui, un rôle crucial dans la réflexion sociologique par le fait qu'elle est au fondement des valeurs sociales et de leur autorité:

« Quand les consciences individuelles, au lieu de rester séparées les unes des autres, entrent étroitement en rapport, agissent activement les unes sur les autres, il se dégage de leur synthèse une vie psychique d'un genre nouveau. Elle se distingue d'abord de celle que mène l'individu solitaire, par sa particulière intensité. Les sentiments qui naissent et se développent au sein des groupes ont une énergie à laquelle n'atteignent pas les sentiments purement individuels [...]. C'est, dans les moments d'effervescence [...], que se sont, de tous temps, constitués les grands idéaux sur lesquels reposent les civilisations. Les périodes créatrices ou novatrices sont précisément celles où, sous l'influence de circonstances diverses, les hommes sont amenés à se rapprocher plus intimement, où les réunions, les assemblées sont plus fréquentes, les relations plus suivies, les échanges d'idées plus actifs [...]. On diminue la société quand on ne voit en elle qu'un corps organisé en vue de certaines fonctions vitales. Dans ce corps vit une âme : c'est l'ensemble des idéaux collectifs. Mais ces idéaux ne sont pas des abstraits, de froides représentations intellectuelles, dénuées de toute efficace. Ils sont essentiellement moteurs ; car derrière eux, il y a des forces réelles et agissantes: ce sont les forces collectives [...]. L'idéal lui-même est une force de ce genre. »

Cette citation est remarquable. Pour Durkheim, ce qui est pensé et senti en commun acquiert une emprise extrême sur tous les esprits individuels et les
transforme en profondeur. C'est sur ce modèle qu'il rend compte de l'émergence de la vie morale et des idéaux collectifs, qui sont une création de l'effervescence du groupe. Il n'est pas difficile de reconnaître dans ces « forces réelles et agissantes » qu'engendre le groupe social en fusion ce que nous avons nommé la puissance de la multitude. Notons avec quelle insistance Durkheim souligne le fait que ces représentations collectives sont à proprement parler des forces et non « de froides représentations intellectuelles ». Il s'agit bien pour lui de rendre intelligible la transformation que connaît l'individu lorsqu'il devient un être social, c'est-à-dire un être se conformant à certaines manières de faire, de penser et d'agir. Cette transformation n'est pas le produit d'une adhésion intellectuelle, résultant d'une analyse rationnelle de la situation, mais bien celui d'une mise en mouvement du désir individuel par une puissance plus grande que l'individu. L'individu calque mimétiquement son désir sur celui de son modèle : la multitude unie. Par ailleurs, l'analyse que propose Durkheim pour rendre intelligible le processus par lequel émerge le sentiment commun met fortement en avant le rôle que jouent les interactions entre agents afin de créer une étroite corrélation entre les affects individuels, ce qu'il nomme une situation d'unisson. On reconnaîtra, dans ce processus d'actions et de réactions conduisant à l'unisson, notre dynamique d'interactions mimétiques dans laquelle chacun règle son choix sur celui des autres. Autrement dit, le sentiment collectif que suscite l'affect commun n'est pas simplement la somme des sentiments individuels. Il résulte plutôt d'une mise en écho mimétique des émotions individuelles :

« Un sentiment collectif, qui éclate dans une assemblée, n'exprime pas simplement ce qu'il y avait de commun entre tous les sentiments individuels. Il est quelque chose de tout autre, comme nous l'avons montré. Il est une résultante de la vie commune, un produit des actions et des réactions qui s'engagent entre les consciences individuelles ; et s'il retentit dans chacune d'elles, c'est en vertu de l'énergie spéciale qu'il doit précisément à son origine collective. Si tous les cœurs vibrent à l'unisson, ce n'est pas par suite d'une concordance spontanée et préétablie ; c'est qu'une même force les meut dans le même sens. Chacun est entrainé par tous. »
Pour Durkheim, cette autorité particulière que produit le sentiment commun, ce que nous avons nommé la puissance de la multitude, joue un rôle fondamental dans son cadre théorique puisqu'il y voit l'expression par excellence de ce qui fait la spécificité du fait social. C'est là une thèse proprement fondatrice qui demande à être rappelée. Pour se faire comprendre, Durkheim prend l'exemple des différents règnes naturels et de leur succession hiérarchique : minéral, animal, humain. Chaque fois qu'on passe de l'un à l'autre, note-t-il, de nouvelles propriétés émergent que l'ordre inférieur ne connaissait pas, alors même que l'ordre supérieur ne résulte que de la simple combinaison d'éléments appartenant à l'ordre inférieur. Ainsi, « la cellule vivante ne contient rien que des particules minérales [...] et pourtant il est, de toute évidence, impossible que les phénomènes caractéristiques de la vie résident dans des atomes d'hydrogène, d'oxygène, de carbone et d'azote. [La vie] est dans le tout, non dans les parties. » On passe ainsi de la matière (physique) à la vie (biologique) et de la vie (biologique) à la conscience (psychique). À chaque fois, une qualité nouvelle se fait jour par quoi le nouveau règne se trouve radicalement distingué du règne inférieur. C'est selon ce même modèle que Durkheim pense les rapports du social à l'individuel : le fait social est au fait individuel ce que le fait psychique est au fait biologique et le fait biologique au fait physique. L'autonomie du règne social, son irréductibilité aux individus, s'en déduisent directement. Bien que composée uniquement d'êtres humains, la société n'en possède pas moins des propriétés que les individus ne connaissent pas : « Cette synthèse sui generis qui constitue toute société dégage des phénomènes nouveaux, différents de ceux qui se passent dans les consciences solitaires. » Mais quelle qualité émergente caractérise le règne social ? Quel est son signe distinctif ? Après la matière, la vie et la conscience, quelle est l'expression de cette nouvelle complexité? Il est inutile d'insister sur l'importance conceptuelle de cette question pour la sociologie naissante. Y répondre, c'est, d'une part, découvrir de quoi la sociologie est la science; autrement dit, définir quel est son objet d'étude. D'autre part, en établissant que le fait social est irréductible au fait individuel, comme le fait individuel au fait biologique, et comme le fait biologique au fait physique, le chercheur justifie du même coup qu'il doive exister une sociologie, autonome par rapport à la psychologie, comme la psychologie s'est affirmée face à la biologie et la biologie face à la physique. Durkheim est à tel point conscient des enjeux que recouvre la question « Qu'est-ce qu'un fait social? » qu'il lui consacre tout le premier chapitre de son grand livre, Les Règles de la méthode sociologique. Sa
réponse est la suivante: le fait social « se reconnaît au pouvoir de coercition externe qu'il exerce ou est susceptible d'exercer sur les individus ». Durkheim désigne comme caractéristique de la vie sociale cette forme *sui generis* d'autorité, extérieure aux individus, qui les transforme en êtres sociaux, ce qu'il nomme ailleurs « l'autorité morale ». Pour Durkheim, le règne social n'existe que par le jeu de cette puissance particulière qui brise l'isolement des individus et produit un cadre commun d'appartenance, la société. L'expérience du social, c'est toujours l'expérience d'une force qui nous dépasse et nous unit. Aussi Durkheim n'hésite-t-il pas à écrire: « Le problème sociologique - si l'on peut dire qu'il y a un problème sociologique - consiste à chercher, à travers les différentes formes de contraintes extérieures, les différentes sortes d'autorité morale qui y correspondent, et à découvrir les causes qui ont déterminé ces dernières. » L'erreur, selon lui, consiste à nier cette spécificité du fait social en voulant tout expliquer sur la base exclusive des consciences individuelles, en quoi on reconnaît une forme extrême d'individualisme méthodologique. Il conteste qu'on puisse, de cette manière, expliquer la pression que subissent les êtres sociaux, pression qui est au fondement même de la vie collective. Parce qu'elle s'exerce sur les volontés individuelles, elle ne saurait en dériver.

« Puisque l'autorité devant laquelle s'incline l'individu quand il agit, sent ou pense socialement, le domine à ce point, c'est qu'elle est un produit de forces qui le dépassent et dont il ne saurait, par conséquent, rendre compte. Ce n'est pas de lui que peut venir cette poussée qu'il subit. [...] En vertu de ce principe, la société n'est pas une simple somme d'individus, mais le système formé par leur association représente une réalité spécifique qui a ses caractères propres. Sans doute, il ne peut rien se produire de collectif si des consciences particulières ne sont pas données; mais cette condition nécessaire n'est pas suffisante. Il faut encore que ces consciences soient associées, combinées, et combinées d'une certaine manière ; c'est de cette combinaison que résulte la vie sociale et, par suite, c'est cette combinaison qui l'explique. En s'agrégeant, en se pénétrant, en se fusionnant, les âmes individuelles donnent naissance à un être, psychique si l'on veut, mais qui constitue une individualité psychique d'un genre nouveau [...]. Le groupe pense, sent, agit tout autrement que ne feraient ses membres, s'ils étaient isolés. »
Pour rendre visible l'étroite proximité d'analyse existant entre la sociologie durkheimienne et notre approche, il n'est que de donner son nom à cette autorité morale *sui generis* que produit la fusion du collectif : la puissance de la multitude. Ainsi l'affinité des deux conceptions est-elle rendue patente. Elles partagent une même conception *princeps* : à l'origine de la vie sociale se trouvent de puissantes forces affectives qui modélent les comportements individuels. Par ailleurs, ces forces possèdent une propriété très énigmatique. Elles peuvent s'investir dans des objets et, par ce fait, leur transmettre une partie de leur pouvoir. C'est toute la question de ce que Marx a nommé le « fétichisme ». pp.199-205
Appendix B

Extracts – The Empire of Value

I. The Definition of an Institution

“One recalls the fine definition given by Fauconnet and Mauss: ‘What is an institution if not a fully formed set of acts and ideas that individuals find themselves faced with and that more or less imposes itself on them? There is no reason to reserve this term exclusively for fundamental social arrangements, as is usually done. We therefore also intend by it customs and fashions, prejudices and superstitions, as well as essential legal structures and political forms or organisation; for all these phenomena are of the same nature and differ only in degree. An institution, in sum, is to the social order what a function is to the biological order; just as the science of life is a science of vital functions, the science of society is a science of institutions thus defined’ Fauconnet and Mauss (1901/1967-1968), 150.” p.495

II. Value

“I refuse to accept that economic value can be identified with a property, whether utility or any other, that preexists exchange. It must be considered instead as something that is uniquely the creation of market relations, by means of which the commercial sphere itself attains a separate existence, independent of other social activities. Market relations possess their own logic of valuation, whose purpose is not to satisfy the desires of consumers, but to indefinitely expand the dominion of the commodity. It is possible, even demonstrable in some cases, that the desire of individuals for utility is indispensable in this connection; but utility enters into the act of valuation only as an element among others. Market relations encompass a range of human impulses, not the least of them being the quest for prestige. Conflicts over social position, no less than the urge to acquire useful goods, arise from a certain relationship to objects. More generally, value in many situations is sought after for its own sake, insofar as it represents a universal purchasing power. My purpose, then, is

to show that market value is an autonomous phenomenon that cannot be reduced to any preexisting magnitude such as utility, labour, or scarcity.” p.11

“Before examining it in detail, however, it is important to keep in mind that the utility and labour theories conceive of value, and the objectivity of value, in exactly the same manner. Unlike any of the other social sciences, economics sees value as the consequence of a substance, or quality, that is peculiar to exchangeable commodities. This assumption, which I shall call the substance hypothesis, adopts a quantitative perspective that, in granting primacy to goods themselves, pays little or no attention to the social relationship on which economic behaviour is based. The new perspective that I hope to establish seeks to go beyond the disagreements between the classical and neoclassical traditions, and to demonstrate that there is a profound unity in economic thought, and that it has its origin in the substance hypothesis. The pretension of economics to the status of a science in Karl Popper’s sense of the term is part of a larger claim, as I have already mentioned, to preeminence among the social sciences. It is this claim, which one finds in authors who quarrel about virtually everything else, that must now at last be abandoned.” pp. 20-21

“The Substance Hypothesis
The expression ‘theory of value’ has usually been applied in economics to approaches that seek to explain the exchangeability of commodities by assuming the existence of a quality that endows goods with intrinsic value. The present work will for the most part conform to this usage, without, however, losing sight of the fact that, beneath an apparently general and neutral name, there lies concealed a quite particular view of commodities. In order to distinguish it from other approaches, I shall use the more cumbersome – but also more precise – phrase ‘substance theory of value’. Historically, as we have seen, two such substances were contemplated by economists: labour and utility. In either case one finds the same fundamental belief, namely, that in thinking about exchange it is necessary to go beyond the surface appearance of commercial transactions in search of a hidden property that is logically prior to such transactions and that gives them form. The idea of an objective law of value that orders the apparent anarchy of market exchange from without, unbeknownst to market actors themselves, has profoundly shaped the way economists look at reality. On this
view, exchange exists because there is value – value being understood as the distinctive quality of tradeable commodities.

Léon Walras, in the preface to the fourth edition of his Éléments d’économie politique pure (1900), begins by introducing the notion of scarcity: ‘The sum total of all things, material and immaterial, on which a price can be set because they are scarce (i.e. both useful and limited in quantity), constitutes social wealth.’ Not only is scarcity taken to refer to realities that are independent of exchange, namely, the utility of things and the limited quantities in which they exist; it is said to confer value on objects and, by virtue of this, to form the basis of exchange. The nature of value having now been fully characterised in the first part of the Éléments by reference to objective criteria, the possibility of exchange logically follows from it; indeed, Walras himself makes a point of insisting that exchange is deduced a priori from a specific substance, ‘scarcity’ (rareté). Walras goes on in the second part to consider the case of the exchange of two commodities for each other, and then in the third the exchange of several commodities for one another. He demonstrates that, in a state of equilibrium, exchange values are proportional to the relative scarcities of a given set of commodities. It is only toward the end, in the sixth part of the treatise, that money is introduced. This sequence, from value to barter and then, finally, money, is characteristic of the substance hypothesis.

The labour theory of value finds its fullest expression in the writings of Karl Marx. In the opening pages of Das Kapital, Marx considers two commodities, corn and iron, and observes that in order for them to be exchanged, ‘a given quantity of corn is equated to some quantity of iron.’ This equality, he says, ‘signifies that a common element of identical magnitude exists in [these] two different things.’ In seeking to identify this common element, he reasons that it ‘cannot be a geometrical, physical, chemical or other natural property of commodities.’ Next, he puts to one side everything having to do with the ‘use-value’, or utility, of commodities. Disregarding this aspect, he concludes that ‘only one property remains, that of being products of labour.’ What is more, since ‘human labour-power has been expended to produce them’, it is plain that as ‘crystals of this social substance, which is common to them all, they are values – commodity values [Warenwerte].’ This common social substance is measured by the amount of time that is socially necessary for the production of the good: ‘now we know the substance of value. It is labour. We know the measure of its magnitude. It is labour-time.’
For Marx, substance value has the status of an a priori principle that focuses economic analysis and tells the economist what to look for. It is, in other words, a conceptual construction, not an observational fact. Marx does, of course, try to persuade his readers that it is enough to carefully examine actual transactions in order to perceive the reality of labour value. But his arrangement on this point is hardly convincing. Why should utility be rejected as a potential source of value? And even if it is rejected, why should there remain only human labour to explain the commensurability of commodities?

These two authors perfectly illustrate, each in his own way, the substance hypothesis. Each of them seeks to identify the thing – for Marx, socially necessary labour; for Walras, scarcity – that provides the basis for value, and thereby makes exchange possible. The appeal of this approach derives precisely from the fact that the relevant magnitudes of value for these substances can be calculated without reference to the actual transactions. Once the structure of a market economy has been specified in terms of production and consumption, it is possible to calculate values for all the commodities in it. These commodity values are considered to be objective by both Marx and Walras, though in the case of Walras some additional explanation is required to the extent that utility involves subjective individual preferences. So long as subjective preferences are supposed to be exogenously determined, however, nothing distinguishes them from production functions. From the point of view of the value theorist, they are perfectly objective assumptions from which commodity value can be deduced.” pp.22-25

III. Marx

“The Fetishism of the Commodity

At bottom, the substance hypothesis advances a conception of the market based on objects and value. Since basic economic facts, such as prices and the volume of commodities exchanged, are assumed wholly to rest on the calculation of relative values, actors’ relations with one another are thought not to matter, or at least not in any important way. This very strong and distinctive assumption justifies us in saying, as a general proposition, that both the classical and the neoclassical traditions favour a quantitative approach to the study of economic behaviour, while omitting to consider the social relations underlying this behaviour. In one sense there is nothing very odd
about this way of proceeding. It is, after all, a peculiar feature of market economies that isolated individuals come into contact with one another, not directly, but through the circulation of commodities. And so it seems natural enough to suppose that it is owing to the objectivity of commodity values that producer-traders come to have experience of the social world. It seems natural, too, that quantity – how much one buys or sells – should be of primary concern to market actors. Value theorists claim to faithfully describe the way in which markets appear to operate to the buyers and sellers of commodities, who have the impression that values, and changes in values, are like a force of nature before which they are powerless. Thus Marx, for example, holds that ‘[t]hese magnitudes [of value] vary continually, independently of the will, foreknowledge and actions of the exchangers. Their own movement within society has for them the form of a movement made by things, and these things, far from being under their control, in fact control them.’ But what does it really mean to say that objective changes in value are immune to human intervention? Does it somehow express an ultimate truth about market economies?

The most detailed analysis of these questions is due to Marx himself, who introduces the notion of the ‘fetishism of the commodity’ in the first chapter of *Das Kapital*. Economic actors, he says, perceive of commodities as ‘autonomous figures endowed with a life of their own, which enter into relations both with each other and with the human race.’ As against this view, Marx emphasises that value is a social fact, specifically produced by market isolation, and in no sense a ‘natural’ quantity. He writes: ‘[T]he commodity-form, and the value-relation of the products of labour within which it appears, have absolutely no connection with the physical nature of the commodity and the material [*dinglich*] relations arising out of this. It is nothing but the defining social relation between men themselves which assumes here, for them, the fantastic form of a relation among things.’ For Marx, in the same way that some peoples wrongly consider certain objects to possess magical or talismanic significance, so too economic actors think of value as belonging exclusively to commodities, as a natural or inherent property. Yet even if they fail to perceive the true nature of what they see with their own eyes, Marx holds that this way of looking at the world is not an illusion. It is part and parcel of how markets work. Value makes its way in this world by concealing itself behind the mask of an objective quality that is intrinsic to commodities: it ‘does not have its description branded on its forehead.’ In other words, the abstraction of value from human labour in the form of
commodities is precisely what markets are meant to accomplish. This is what Marx meant when he writes: ‘the categories of bourgeois economics […] are forms of thought which are socially valid, and therefore objective, for the relations of production belonging to this historically determined mode of social production, i.e. commodity production.’ Antoine Artous glosses this passage as follows: ‘For Marx, commodities are ‘suprasensible sensible’ things; forms of thought have a social objectivity; and, ultimately, social relations are sustainable only by virtue of the concepts that accompany and structure them. Consequently the phenomenon of fetishism does not amount to a simple illusion of consciousness, individual or collective; nor does it have only to do with the appearance of social relations, with the surface of things. It manifests the mode of existence of capitalist relations of production, their objective social form.’

Yet even if the objectivity of value is what makes markets what they are, Marx says, one must never lose sight of the fact that this objectivity is historically the product of a certain social structure. Value does not naturally have a certain magnitude, or quantity, that results ‘from the nature of the products [being exchanged], so that, for instance, one ton of iron and two ounces of gold appear to be equal in value, in the same way as a pound of gold and a pound of iron are equal in weight, despite their different physical and chemical properties.’ The theorist of value must not let himself be fooled by appearances of this sort. In order to avoid falling prey to the fetishist illusion, he must never forget that the market form is the consequence of a particular, historically determined social relation, which is to say market production: ‘Objects of utility become commodities only because they are the products of the labour of private individuals who work independently of each other.’ I do not disagree, at least insofar as my purpose in this work is to suggest a way of looking at value, not as a substance, but as a social and historical institution that forms the basis of a market economy. And yet, as against Marx, I maintain that in order to do this there is no choice but to break once and for all with the substance hypothesis, for otherwise it will be impossible to free ourselves from the hold that the fetishism of the commodity has over us, preventing us from recognising the social nature of value. I shall have occasion in the chapters that follow to say exactly what this involves. But first, it will be necessary to consider a serious objection, namely, that the error of what I have set out to do was demonstrated by Marx himself, who, it is said, showed that the critique of fetishism and the substance hypothesis are not in fact incompatible.
The truth of the matter, however, as we shall see, is that Marx’s commitment to the labour theory of value led him, in spite of himself, to argue against his own socio-historical principles.

The attempt to reconcile the conceptions of value as a substance and as a social institution runs up against insuperable obstacles from the first. To suppose that a property such as labour or utility, which by its nature is eternal and everlasting, can be made to support a historically contingent interpretation of value involves us in a quandary from which there is no escape. The substance hypothesis is perfectly consistent, on the other hand, with the idea that there has always been a market economy, just as there has always been economic value – in the one case owing to the practical necessity of labour, to which human beings are permanently condemned in order to earn their livelihood, and in the other to the perpetual search for useful goods, of which they will always have need. In both cases a naturalistic conception of economic activity takes precedence over a historical approach. This is a perfectly defensible position, but it is not the one that Marx himself claims to defend. Indeed, Marx’s allegiance to the substance hypothesis puts him in the awkward position of appearing to contradict himself, for he is misled by his own analysis of the quantitative determination of labour value to embrace a transhistorical theory. Thus, for example, because socially necessary labour-time is a quantity that can be calculated for every product, regardless of the relations of production, he makes the mistake of regarding it as a naturally occurring, or fixed, quantity; that is, as a quantity unaffected by social relations whose calculation makes no reference to commercial terms of exchange. In other words, it is exactly the sort of calculation carried out in a non-market society. Plainly, then, Marx’s critique of fetishism cannot be seen as an integral part of the quantitative determination of labour value. It appears instead as an adjunct to the main argument on this point, in the fourth chapter of *Das Kapital*, where it is introduced as a sort of precautionary measure, to provide an exogenous specification of labour value.

No one has commented more insightfully on the tension in Marx’s thinking between these two antagonistic tendencies than the philosopher and economist Cornelius Castoriadis. Its origin, Castoriadis argues, may be traced to the very notion of a substance, which signifies a quality ‘endowed with absolute significance’, something that ‘has always existed, forever [until now] and forever more.’ This amounts to asserting the existence of causal factors that obtain universally, without
regard to any particular set of social relations. ‘[T]he antinomy of Marx’s thought’, Castoriadis observes, ‘is that the Labour that modifies all things, and itself a constantly modified [in its turn], is at the same time conceived as a kind of Substance/Essence, as something that remains unalterable […], [that] is not modified, [that] is not altered, [that] endures as the immutable foundation of changing attributes and determinants.’ Castoriadis reminds us that Marx himself imagines Robinson Crusoe, on his island, keeping account of the time he has spent satisfying his various needs, with the ultimate purpose of allocating this time in proportion to ‘the magnitude of the difficulties to be overcome in attaining the useful effect aimed at.’ Economists today would say that Crusoe was trying to maximise his utility.

Marx goes on to say this about Robinson’s calculations: ‘His stock-book contains a catalogue […] of the labour-time that specific quantities of these products have on average cost him […]. [T]hose relations contain all the essential determinants of value.’ Here labour value stands revealed as a transhistorical category that imposes itself on the individual and markets alike. This will also be the case, Marx adds, in a society organised on Communist principles, in which ‘[a]ll the characteristics of Robinson’s labour are repeated […] but with the difference that they are social instead of individual.’ Note that the historically determined dimension of value, which Marx frequently claims to be emblematic of market production, is absent here. Reviewing the many instances of this unceasing oscillation between two poles, Castoriadis observes that Marx ‘conceives of Substance Labour sometimes as physiological-natural and sometimes as fully social, sometimes are transhistorical and sometimes as specifically associated with the capitalist phase, sometimes as a manifestation of the reification of humanity under capitalist exploitation and sometimes as the foundation for a ‘rational calculus’ in the future society [he envisions].’ He emphatically concludes: The true historical limitation in both Aristotle and Marx is [bound up with] the question of institution[s], the inability of received wisdom to take the sociohistorical into account as a mode of being that cannot be reduced to what is ‘known’ elsewhere.’ In other words, the substance approach is bound to ignore value as a social institution because it supposes it has shown this view to be inadequate to justify an interpretation of economic behaviour in terms of the social relations that historically have produced it. If we are to remain faithful to the sociohistorical conception of market economies, as I urge that we do, it will be necessary to jettison the substance hypothesis. Otherwise there is no way out from the
contradiction that arises regarding value as a substance, universal and everlasting in its effect, and at the same time regarding it as something that is exclusively associated with a market regime.” pp. 40-47

IV. Durkheim

“Value is not an inherent property of commodities; it is an idea that springs from the multitude, as Spinoza would say, and whose effects on economic behaviour come to be felt by all the members of society. One of the strengths of this way of looking at money is that it is not limited to economics alone; it may be found in the works of many writers on sociology as well, notably among them, as we shall soon see, Émile Durkheim. Once the substance hypothesis is rejected it becomes possible to develop a more general explanation of value that includes economic activity as a special case. The significance of this cannot be overstated: a genuine reformation of economics, it seems to me, must humbly affirm its identity as one among a number of other social sciences by accepting that economic facts are social facts like any other; that social reality does not possess some essential property which licenses a distinct epistemology and justifies the creation of an independent discipline of study. All the social sciences, I maintain, are subject to the same logic of explanation. One may expect considerable advances to be made with the adoption of what might be called a unidisciplinary perspective – starting with economics itself, which as a captive of the doctrine of substance value, has long encountered difficulties in making sense of capitalism.” pp.194-195

“Chapter Five – A New Approach to Value

Like any other kind of value, whether religious, aesthetic, moral, or social, economic value has a judgmental aspect involving the power exerted by individuals and commodities. Thus, for example, aesthetic value is a recognition of the degree of influence enjoyed by certain artists or works of art. The main question that values pose to the social sciences is both fundamental and puzzling, for it has to do with their objectivity, without which there could be no values in the strict sense of the term, only a scattered mass of subjective opinions. Durkheim, referring to value judgements of the type ‘This man has high moral value; this picture has great aesthetic value; this jewel is worth so much’, notes that ‘[i]n all these instances I attribute to the people or
things in question an objective character quite independent of my own individual feelings at the time of making the judgment [...] All these values exist then, in a sense, outside of me.’ What is more, value involves a capacity for arousing desire. ‘What has value is in some way good; what is good is desired, and all desire is a psychological state”, he observes. ‘Nevertheless the values under discussion have the objectivity of things. How can these two characteristics, which at first blush appear contradictory, be reconciled? How, in fact, can a state of feeling be independent of the subject that feels it?’

If the kinship of economic value to its cousins in the social sciences is admitted (‘Certainly there are different types of value’, Durkheim remarks, ‘but they are all species of the same genus’), it seems all the more curious that economics should have developed as a separate and virtually autonomous discipline. Economists devised an utterly original theoretical framework that asserted the objectivity of economic value and traced its source to the existence of a social substance, variously identified with either labour or utility, having a measurable magnitude or quantity. On the basis of this, as we have seen, a quantitative tradition of analysis grew up in opposition to sociological reasoning whose chief characteristic is that it allows no place for collective perceptions and beliefs. A more drastic rupture can hardly be imagined.

In reaffirming the existence of a common law of value that applies to all the social sciences, I hope to be able to show that the type of value contemplated by economists, despite its mathematical appearance, is in fact a kind of social power – a power over things that takes the form of an ability to purchase things, arising from the universal desire for liquidity. The precise nature of this power is nonetheless unclear. How can a longing from something be externalised so that it comes lastingly to be associated with an object? This question has been considered at length by the other social sciences, relying on the notions of confidence, common emotion, power of the multitude, and collective beliefs” pp.197-198

“The suggestion that economic value is a power that originates in the beliefs of a community of people, through the sharing of ideas and emotions, borders on heresy in a discipline where, with rare exceptions, only the willed actions of individuals are recognised. And yet the reality of collective belief is incontestable. Not only does it
form the basis of social reality and, in particular, the institution of money; without collective belief, no unified explanation of value would be possible.” p.208

“Durkheim’s Theory of Value

The idea that social groups support an altogether distinctive form of mental activity, one that possesses a dynamism and an authority not found in isolated individuals, is a constant theme in all of Émile Durkheim’s writings. Durkheim does not use the term “common emotion” (affect commun), but when he speaks of collective feelings or beliefs it is exactly this that he has in mind. It occupies a crucial place in sociological analysis, he says, because it is the foundation of social values and the source of their authority:

When individual minds are not isolated but enter into close relation with and work upon each other, from their synthesis arises a new kind of psychic life. It is clearly distinguished by its peculiar intensity from that led by the solitary individual. Sentiments born and developed in the group have a greater energy than purely individual sentiments […].

It is, in fact, at such moments of collective ferment that are born the greatest of ideals upon which civilisations rest. The periods of creation or renewal occur when men for various reasons are led into closer relationship with each other, when reunions and assemblies are most frequent, relationships better maintained and the exchange of ideas most active […].

To see society only as an organised body of vital function is to diminish it, for this body has a soul which is the composition of collective ideals. Ideals are not abstractions, cold intellectual concepts lacking in efficient power. They are essentially dynamic, for behind them are the powerful forces of the collective. They are collective forces […]. The ideal itself is a force of this nature.

This is a remarkable passage. Everything that is thought and felt in common, Durkheim says, comes to exert a transformative influence over individual minds. What he calls effervescence – the ferment of ideas and emotions that occurs when individual minds are placed in communion with one another – brings about the
emergence of moral life and collective ideals. These ‘real and active forces’, produced by concerted mental activity, are nothing other that what I join Spinoza in calling the power of the multitude. Durkheim emphasises, moreover that such forces – also known as collective representations – are indeed properly spoken of as forces, not as ‘abstractions’ or ‘cold intellectual concepts’. For they are indissociably bound up with the metamorphosis undergone by the individual in becoming a social being, which is to say a person who conforms to certain shared habits of thought and behaviour. This transformation is not the product of a deliberate choice or reasoned conviction. It arises instead from the harnessing of individual desires by a power greater than the individual, so that each person models his own longing on that of the multitude, on its common emotion. The process by which this emotion appears, this condition of feeling and responding in unison, recalls the dynamic of imitation we considered earlier in which each person adapts his behaviour in response to what others think and do. In other words, collective feeling is not a simple summing up of individual sentiments. It results instead from a kind of mimetic resonance:

An outburst of collective emotion in a gathering does not merely express the sum total of what individual feelings share in common, but is something of a very different order […]. It is a product of shared existence, of actions and reactions called into play between the consciousnesses of individuals. If it is echoed in each one of them it is precisely by virtue of the special energy derived from its collective origins. If all hearts beat in unison, this is not a consequence of a spontaneous, pre-established harmony; it is because one and the same force is propelling them in the same direction. Each one is borne along by the rest.

It is this power of the multitude that makes social life possible. Durkheim illustrates the transition to an ordered community of individuals by analogy with the hierarchical succession of nature’s kingdoms: mineral, animal, human. Anticipating one aspect of the modern theory of complex dynamic systems, he notes that, in passing from one realm to the next, new properties emerge that are unknown in the lower phyla, even though members of the higher phyla have come into being only through the combination of elements belonging to the lower ones. ‘The living cell contains nothing save chemical particles […] [and yet] it is very clearly impossible for the
characteristic phenomena of life to reside in atoms of hydrogen, oxygen, carbon and nitrogen […]. [Life] is in the whole and not in the parts’. At each stage, in moving from matter to life, and then from life to consciousness – which is to say from the physical to the biological, and then from the biological to the mental – a new quality appears that radically distinguishes each kingdom from the one that came before it. Durkheim conceives of the emergence of society in the same manner: society is to the individual as the mental realm is to the biological and the biological to the physical. The autonomy of the social kingdom, its irreducibility to individual minds, follows directly from this. Although society is composed solely of human beings, its properties are not fewer in number that the sum total of individual properties, but greater: ‘[T]his synthesis sui generis, which constitutes every society, gives rise to new phenomena, different from those which occur in consciousnesses in isolation […].’

But which emergent properties characterise the social kingdom? What is the expression of this new degree of complexity that follows upon the transition from matter to life, and from life to consciousness? To answer these questions we first need to ask what sociology is a science of. The claim that society is irreducible either to the individuals who compose it, or to biology or physics, implies that the discipline of sociology is logically independent of psychology, just as psychology was able to demonstrate its autonomy in relation to biology, and biology in relation to physics. Durkheim was so keenly aware of the importance of determining the exact scope and purpose of sociology that he devoted the entire first chapter of his great work, *Les règles de la méthode sociologique* (1895), to this question. Sociology, he says, ‘embraces one single, well-defined group of phenomena’ – social facts. ‘A social fact is identifiable through the power of external coercion which it exerts or is capable of exerting upon individuals.’ It is this incomparable force – what elsewhere he calls ‘moral authority’ – that transforms the isolated individuals of neoclassical economic theory into social beings, by creating among them a common sense of belonging. Without this feeling, society could not exist. Our experience of social life is, by definition, the experience of a power that is larger than ourselves and that brings us together. From this it follows that ‘[t]he problem for sociology – if it can be said that there is one sociological problem – is to search through the various forms of external constraint for the various kinds of corresponding moral authority, and to discover their causes.’ The error of seeking to explain social behaviour exclusively with
reference to the contents of individual minds – an extreme form of methodological individualism that Durkheim vigorously rejects – arises from a failure to recognise that, because the pressure of social facts is exerted on individual wills, it cannot be derived from them. ‘The authority to which the individual bows when he acts, thinks, or feels socially dominates him to such a degree because it is product of forces which transcend him and for which he consequently cannot account. It is not from within himself that can come the external pressure which he undergoes […].’ It is for this reason, Durkheim says, that:

Society is not the mere sum of individuals, but the system formed by their association represents a specific reality which has its own characteristics. Undoubtedly no collective entity can be produced if there are no individual consciousnesses: this is a necessary but not a sufficient condition. In addition, these consciousnesses must be associated and combined, but combined in a certain way. It is from this combination that social life arises and consequently it is this combination which explains it. By aggregating together, individuals give birth to a being, psychical if you will, but one which constitutes a psychical individuality of a new kind […]. The group thinks, feels and acts entirely differently from the way its members would if they were isolated.

The affinity between what Durkheim calls moral authority, arising from the fusion of individuals into a unified group, and what I call the power of the multitude is plain. They are both corollaries of a single principle, namely that social life is the product of powerful forces of sentiment and emotion that shape individual behaviours. These forces exhibit the peculiar property of being able to be invested in objects and, by virtue of this, of being able to transmit to objects a part of their power. This is the phenomenon that Marx calls fetishism” pp.209-214
Bibliography


