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Homo Libidinous and the Economy of Desire: Rereading Simmel's *The Philosophy of Money* after Freud

Abstract: Georg Simmel's *The Philosophy of Money* ([1900], 2004) contains one of the most pertinent and subtle diagnoses of modernity—a critique of economic reason moved by desire. This article shows that Simmel's dialectic of desire has a significant affinity with Freud's economic point of view in terms of the psychic apparatus being ruled by the pleasure principle. Considering these two libidinal economies I will focus on how the figure of *homo oeconomicus* transforms into *homo libidinous* and why money has become the symbol and form of modern life. The assumption is that money is not solely the fundamental principle of social reality—what we call hyper-modernity or late capitalism—but the reality principle as such.

Keywords: economy of desire, *homo libidinous*, libidinal economy, dialectic of money, reality principle, pleasure principle, Simmel, Freud

Introduction

The saying that “no weaver knows what he’s weaving” is, of course, never absolutely true, but always relatively so. The finished product contains nuances, relations and values, purely according to its objective existence and quite independently of whether the creator knew that these would be the result of his or her creation (Simmel 1997: 69).

If we assume that deconstruction has endowed us with a new concept of the history of ideas then the development of some thoughts or visions may be not simply a continuation or imitation of the tradition but an original re-enactment as a result of some prophetic anticipation (Derrida 1987). On the basis of this concept I propose the double hermeneutic move of rereading Georg Simmel's *The Philosophy of Money* (1900) as an actual manifesto of a brave new world, a so-called hyper-modernity (Baudrillard 1994), a world in which money—as Simmel said—has become a symbolic form of life. More precisely, I will be trying to reread this text as if it were written today, with all the unexpected consequences and analogies that may arise from such a reading. Simultaneously, I treat Simmel's analytical investigation of the economy of human desire as if it were written not before but after Freud's essay on libidinal economy, *Beyond the Pleasure Principle* ([1921] 1961). I argue

that Simmel's mode of thinking about the money economy and human desire is supplementary to Freud's psychoanalytical point of view and could be a meaningful analogy for better understanding the dynamic of our actual subjectivities: not "what" we are desiring but "how."

According to Zygmunt Bauman, the "tragedy of culture which Georg Simmel (who is only now beginning to be understood, and acknowledged, as the sole 'postmodern' thinker among the founding fathers of sociology) anticipated almost a century ago, has reached its completion; the body of objectively available cultural products is well in excess of the assimilating capacity of any member of society" (Bauman 1992: 31). Currently Simmel's philosophical inquiries about modernity could be an inspiration for anyone wishing to re-think the dialectical life of the subject, especially when the subject is determined by economic forms and dynamics (Zelizer 1995; Alexander 2013; Dodd 2014). It is obvious that after Nietzsche announced the death of God, the horizon of modern life became close and immanent, determined by intrinsic patterns without any transcendent values and goals. As Simmel claimed, there is only one universal code of values that guarantees the efficiency of exchange: economic value, of which money is the purest form.

At this point we notice strong affinities between Simmel's and Weber's diagnoses of modernity: the process of disenchanting the world needs meaningful new narrations for re-enchanting the world (Weber 1946). One of these affirmative, powerful, fundamental, and prophetic visions can be found in *The Philosophy of Money* (especially in the last chapter). In this great book we can read one of the most pertinent and subtle investigations of the social origins, consequences, and fate of modernity with its emancipatory promise (Becker 1959; Frisby 1985, 1986, 1992; Goodstein 2017). Delineation of the money economy in its analytical and historical dimension brought Simmel to the conclusion that "there is no more striking symbol of the completely dynamic character of the world than money [...] the vehicle for a movement in which everything else that is not in motion is completely extinguished. It is, as it were, an *actus purus*" (Simmel 2004: 517). Clearly influenced by the neo-Kantian tradition, Simmel constructed a first critique of economic reason moved by a theory of value grounded in human desire (see: Habermas 1971; Gorz 1989; Harvey 2017). But one might ask: desire for what? for money? what is the status of desire and its economic consequences?

From the start, Simmel's critical analysis mixes two elements: reasoning and desiring. But as we know from Freud, the human desire responsible for more or less conscious wants begins at the unconscious level. We can say that Reason and Desire are calculating how to achieve their goals, and there are two different but intertwining calculations. My point is that in Simmel's book the passage between two different levels of subjectivity (individual conscious/an unconscious collective) reveals the dialectical character of the modern subject and its desire, inscribed in forms of the money economy. As a philosophical thinker, Simmel used the word "economy" in the most general sense, as knowledge about the "production" of values (Joas 1994; Kamolnick 2001), processes of differentiation (the division of labor), and balancing different qualities in the act of exchange. What seems meaningful to me is a certain slight shift in his book: money is a symbol of exchange, an economic phenomenon that is part of the social world and simultaneously the metaphysical rule that determines the whole social world (Goodstein 2017).

As I mentioned, I will try to reconstruct the specific logic of Simmel's reasoning and to interpret this double metamorphosis in terms of Freudian psychoanalysis. First, on the individual level, we have a transformation from *homo oeconomicus* to *homo libidinous* (who is economic in his own way). I argue that Simmel's mode of thinking about the economy of desire shows some meaningful affinities with Freud's specific economic perspective on the functioning of the psychic apparatus. This text detects the relation between two ways of thinking and discerns their mutual influence, while omitting the chronological details. Similarly, it is not based only on the interpretation of one book. I will focus on Simmel's economy of desire and try to interpret it in a more libidinal way from a Freudian perspective, including in regard to Freud's last essays on life.

Second, there is a more formal and interesting shift in his thinking in regard to the concept of money: from being an object of our desires to the form of desire itself. At the start of his analysis Simmel focuses on the primacy of individual desire, which is formatted through the mechanism of market relations, but at the end of the book he writes mainly about money as the form of modern social life in general. Thus, *The Philosophy of Money* in the age of late capitalism could be read after Freud as if the money economy is not our sole principle of social reality but the reality principle as such and directly responsible for changes in our subjectivities.

A (Bio)anthropocentric Turn: From *Homo Oeconomicus* to *Homo Libidinous*

Human enjoyment of an object is a completely undivided act. [...] consciousness is exclusively concerned with satisfaction and pays no attention to its bearer on one side or its object on the other (Simmel 2004: 62).

The claim that Simmel and Freud have much in common is not quite irrelevant and can be explained by a simple convergence: Freud's most famous book, *Die Traumdeutung*, was published in the same year as *Der Philosophie des Geldes* (1900), and after the two writers' deaths their achievements were unrecognized or underrated for many years (Axelrod 1979). More importantly for us today, their anthropological visions are really supplementary: both are based on the primary lack of transparency of the human being (in contrast to the Cartesian *cogito*). As we may remember, in Adam Smith's *The Wealth of Nations*, the human subject is defined as a *homo oeconomicus*, whose behaviors are predictable and rational only within the economic domain, where individual interest identifies with the collective's market harmony. Nevertheless, as Alfred Hirschman pointed out in describing the end of the power of the feudal lords, "he [i.e., Adam Smith—BM] saw a decline in this power, not because the lords came to realize that their interest lay in not using it so wantonly as before, but because they *unwittingly* relinquished their power as they attempted to take advantage of the new opportunities for their own consumption and material improvement opened up by the 'progress of the arts'" (1977: 102). In fact, this argument explains why human action may contain more than one rational strategy (strategies concentrated on short-term or longer term interests).

Reading Simmel “after” Freud we discover *homo oeconomicus*, who is driven by an economic calculation on two different levels: individual desires articulated on a conscious level (Ego) and a collective anonymous drive (Id). Apparently, there are two different calculations, because somehow we know exactly what we want as a subject. Human beings are thus paradoxical beings, conflicted but consistent in their “will to power.” Methodologically speaking, this anti-dualistic perspective on the human as a dynamic whole reveals an analytical force in the conception of values. In Simmel’s theory the basal theoretical tool is the dichotomy between desire and aversion. In Freud’s theoretical framework we have a basic dichotomy between drive and repression. Simmel suggests that the search for desire is an anthropological determinant of man. His thesis is based on the theory of marginal utility from economics: that the salience of desire will reduce the stimulus from the environment. In this case, rarity is one of the most important factors conducing to the production of desire. But this rarity can not be absolute; the desired object must be located in the middle distance—must create a game of attraction and repulsion. “Objects possess value in proportion to how much they resist our desire to obtain them” (Shad 1990: 300). To conclude this point, we can say that Simmel’s way of thinking about the origin of values is very close to Freud’s concept of the sublimation process. For Freud, our conscious is driven by a repressed drive. To get satisfaction we have to replace the forbidden objects of desire and choose a proper goal. In this case the unconscious is a determinant factor of our behavior and life strategies.

Undoubtedly, Simmel was aware of the influence of unconscious factors. However, he focused solely on the conscious level of individual desires, disclosed through the market’s play as the dimension of the exchange of values.

The desire and sentiment of the subject is the driving force in the background, but it could not by itself bring about the value-form, which is the result of balancing objects against each other. The economy transmits all valuations through the form of exchange, creating an intermediate realm between the desires that are the source of all human activity and the satisfaction of needs in which they culminate. The specific characteristic of the economy as a particular form of behavior and communication consists not only in exchanging *values* but in the *exchange* of values (Simmel, 2004: 77).

As we see, the market as an intermediated realm between desires is objectified in the hierarchy of values. In other words the universe of values is a world of crystalized desires, equal to a modern life, which suspends the difference between myself and others. Admittedly, we are different from each other in exchanging *values* but in the *exchange* of values we are equal. Moreover, we are formally the same. The limits between myself and others are arbitrary and “liquid,” inasmuch as we share our demands for valuable objects.

Thus, we could say that individuals have no control over their own lives because of the liquidity of desiring. Similarly, for Freud, individuals have no sovereignty over their own desires, even though these desires are a driving force of existence and guardian of an individual’s life trajectory. As philosophers of culture, both Freud and Simmel formulated one main idea: cultural and social modernization is a painful process and has forced us to pay a large price—in the form of sexual neurosis (Freud) or permanent spiritual confusion (Simmel)—for intellectual and political emancipation. The process of the sublimation and dissemination of desires (by replacing the object) seems to be the great achievement of our culture. It provides multiple, complex, and long-lasting pleasures, which bind us with the

whole body of extending and intensifying social life much more than with the circle of rural life.

There are more analogies in their approaches but such a detailed comparison is not the aim of this article. We will concentrate only on the relation between desire and money and the question of how the desire for money, and money as a form of life, influence our subjectivity. How have we become *homo libidinous*? And what does it mean that money is a form of life?

The Dialectic of Money as the Equilibrium Principle of the Modern World

In Simmel's *The Philosophy of Money* the modern world of values functions as a market—the realm of mediated desires, objectified in the specific form of economic value. In other words, modern society is an abstract society where the social nexus is not generated primarily by custom, reciprocity, or tradition, but in the indifference of exchange. The most important factor is a balance of opposite tendencies, with rhythmic disturbances that intensify, increase, and accelerate the trends. Money is a code for this intensification—a condense symbol for the whole universe of values. This economic moment has irreversibly changed every dimension of our lives.

The most original and valuable feature of Simmel's concept is a specific way of thinking, which I treat as a modification of the Hegelian dialectic. He was aware that an abstract philosophical system creates a distance from a concrete phenomenon. This is the main reason why we should “grasp” reality by starting from the description of one particular element as a meaningful example of the whole. In the preface to his book, Simmel explains that “money is simply a means, a material or an example for the presentation of relations that exist between the most superficial, ‘realistic’ and fortuitous phenomena and the most idealized powers of existence, the most profound currents of individual life and history” (2004: 53). In his philosophical examination of the conundrum of money and economic value (its essence and the historical process at the same time) Simmel conceived that money would become the main principle for explaining the specific unity of the modern world. Moreover, he proclaims that money as a symbol represents the achievement of “salvation” from isolation and lack of spirituality, because it represents:

[...] indifference itself, in that its entire significance does not lie in itself but rather in its transformation into other values. But since the opposition between what is apparently most superficial and insubstantial and the inner substance of life reaches a peak here, there must be the most effective reconciliation if this particular fact not only permeates, actively and passively, the entire range of the intellectual world but also manifests itself as the symbol of the essential forms of movement within this world (Simmel 2004: 53).

This passage displays Simmel's vein of quasi-Hegelian dialectic, without *telos* or a moment of recognition. The polarities consist of pairs of “contradictory” concepts such as “conflict” and “cooperation,” which operate dialectically, with outcomes in social and cultural forms as syntheses. However, “it is crucial in all of this to note that Simmel eschews *dualism*. For him, polarities/dualities are not dichotomies but continua. More broadly, his relationism stands in opposition to fixed categories. A dialectical approach can be summed up as involving ‘a unity of opposites’” (Shermer, Jary 2013: 5). In summary, for Simmel

the unfolding of the world is not dependent on pursuit of a goal but on a necessary balance between opposite tendencies.

However, money is also capable of embodying the opposite tendency by representing not merely a single economic value but also an “abstract economic value in general.” In other words “as a tangible item, money is the most ephemeral thing in the external-practical world; yet in its content it is the most stable, since it stands at the point of indifference and balance between all other phenomena in the world” (Simmel 1978: 511). Apparently, this assumption is very similar to the general equilibrium theory in modern economic discourse, but in my perspective it is much more radical.

Kenneth J. Arrow wrote about the principle of equilibrium between “the amounts of goods and services that some individuals want to supply and the amounts that other, different individuals want to sell” (Arrow 1979: 253). This argument has become a neoliberal dogma and is said to refer directly to Adam Smith’s *Wealth of Nations*. However to suggest that Smith should be regarded as a precursor of general equilibrium economics would be highly misleading because he never used the term (Mirowski 1989: 448). Instead, he used another famous metaphor, in the vocabulary of theology: “the invisible hand of the market.” One element of this formula is especially interesting: the question of invisibility, or a lack of transparency in regard to causes and effects. In a famous passage, Smith wrote that “As every individual [...] he intends only his own gain, and he is in this, as in many other cases, led by an invisible hand to promote an end which was no part of his intention” (Smith 1976: 477). The importance of the passage becomes clear in the context of natural theology; no doubt he meant the invisible hand of God, or divine providence in the sense of natural theology (Waterman 2002). The divine government of the world is so absolute and penetrates creatures so deeply that the divine will is annulled in the freedom of men (and the latter in the former). At this point, theology may resolve itself into atheism, “because God has made the world just as if it were without God and governs it as though it governed itself” (Agamben 2011: 286).

But Simmel, in analyzing economic equilibrium, abandoned religious roots and any references to theological ways of thinking, even though he cites Hans Sachs’s remark that money is the “secular God of the World” (Simmel 2004: 238). His approach is based on a dialectic of pure human desire, oscillates between qualitative and quantitative differences, and goes much further in describing an asymmetric proliferation of life’s forms looking for a balance strategy. Equilibrium for Simmel is possible only as the balances of forces, which are constituted in the subject, not in the objective world. The measure of exchange is evaluated by the actors in a situation where they lack full consciousness of the market’s rules. In other words, the basic experience of stability and balance “is indeed so widespread that it raises no intellectual disquiet among laymen; they take it so much for granted that they are not disposed to understand the mechanism by which it occurs” (Arrow 1979: 253).

The metaphor of money used by Simmel—in the specific sense of a principle of generic and dynamic equilibrium, of unstable stability—seems more current than ever. As I mentioned before, money symbolizes the unconsciousness of the social exchange. In this perspective every exchange has an economic character or dimension, in the sense of the condition of required equivalency. When we read contemporary analyses of global society in the era of financial capitalism we find striking analogies to Simmel’s approach (Dodd 2014).

Joseph Vogl writes that a new social contract, which he calls *oikodyce*, depends on our blind trust in a social world determined by economic rules.

There can be no doubt that neoclassical financial and economic theory also operates with assumptions about stability and equilibrium models that can be called deterministic. The order of this oikodyce is characterized by a dynamic equilibrium in which atomized competition on financial markets initiates a circulation of risk, raising the prospect of balancing the uncertainty of present futures with the predictability of future presents (2015: 83).

The Question of Method and the Principle of Becoming

The true originality of Simmel's "descriptive matrix," which we could use for future descriptions, relies on a dialectical and dynamical form of thinking about social reality. The question of method and epistemological perspective is absolutely crucial in his theoretical approach (see: Wolff 1950: 13–16). In my opinion, Simmel's vision is influenced by three form-related aspects of his method of inquiry. The transformation from form to content allowed him to articulate two main principles of reality.

The first form-related issue is the concept of the "reciprocal effect" of interaction, which is the core of his relational and processual thinking. It is "a Spinozian emphasis on 'inter-relations' and on 'process,' rather than discrete 'things'" (Shermer, Jary 2013: 4). Most importantly, epistemological relationism is not identified with relativism. It rather signifies a dialectical conception of "truth" that is revealed in a historical process. From this perspective, the famous post-Marxist debate about the primacy of the economy under cultural and ideological or spiritual dimensions seems irrelevant. Thus, Simmel characterizes the main goal of cognition as follows:

Every interpretation of an ideal structure by means of an economic structure must lead to the demand that the latter in turn be understood from more ideal depths, while for these depths themselves the general economic base has to be sought, and so on indefinitely. In such an alternation and entanglement of the conceptually opposed principles of cognition, the unity of things, which seems intangible to our cognition but none the less establishes its coherence, becomes practical and vital for us (2004: 54).

The new economical perspective assumes the dialectical tension between material and ideal elements of our reality. They are meaningful only in order to fulfill our desires.

Second, the impossibility of ultimate fulfillment indicates that we, as subjects, cannot attain the objects of our desires. Simmel argues that the value of things has become detached from objects and has acquired an independent, condensed existence in money as a substitute for the pure potentiality of any value. Furthermore, individuals cannot reach their goals in actuality because doing so might undermine the aims of society as a whole.

This kind of process may be summed up by saying that the effectiveness of some or perhaps all elements of life depends upon the concurrence of opposing elements. The proportion in which an element and its opposite are combined and co-operate are naturally variable, sometimes in the sense that one element steadily increases while the other declines, so that the trend of the development appears to be one in which one element will finally supplant the other. But as soon as this happened and every trace of the second element disappeared, the sense and effectiveness of the first element would also be paralyzed (Simmel 2004: 165).

There is a one more argument for the above assumption. As Simmel pointed out, in observing the emotional dynamic, "emotional impulses strive for a final objective without

being aware that all the hoped-for satisfaction is the consequence of relative advances, and may perhaps turn into its opposite when the goal is reached” (2004: 164). This argument is extremely important in the light of psychoanalytic knowledge.

The third feature of the dialectic relies on the domination of means over ends. It is an effect of the historical process: a transformation of money from the substantial to the functional form of being. Max Weber pointed out similar processes of rationalization and admitted that instrumental reasoning is typical for modern capitalist societies. For both, the main consequence of this process was a disappearing of a center-structured life orientation: there is no one hierarchy of values and moreover no one main value dominates the whole of life. Therefore our life is multi-centered, distracted, and chaotic. Overwhelming changes in the social system bring a new form, with a specific rhythm, to modern life:

All the sequences of our life are regulated by upward and downward rhythm [...] Rhythm satisfies the basic needs for both diversity and regularity, for change and stability. In that each period is composed of different elements, of elevation and decline, of a quantitative or qualitative variety, the regular repetition produces a reassurance, uniformity and unity in the character of the series (Simmel 2004: 491).

The omnipresence of money is transformed into a pulsing, lively continuum. Simmel considers whether money takes part in this process through its influence on strengthening or weakening the periodicity of life. From an objective standpoint, thanks to the unfolding money economy, we might conceive our lifeworld to be an abstract unity. At the same time, from a subjective point of view, money symbolizes a principle of differentiation (where quantitative differences are transformed into qualitative ones) and maintains a distance between individuals and the world. In regarding the dialectic of money as the ruling principle a striking parallel can be found to the two principles of life mentioned at the end of *The Philosophy of Money*: “The two principles of life that one can characterize with the symbols ‘rhythmic–symmetrical’ [symbols] and ‘individualistic–spontaneous’ are two profoundly different trends whose opposition is not, as in previous examples, always reconcilable through integration in the course of development, but rather ultimately characterizes the permanent character of individuals and groups” (Simmel 2004: 498). It could be suggested that these two principles of totalization, which refer to the individualistic element or systematic entity, are nothing more than the classic rule of micro–macro resemblance (Foucault 1971). Nevertheless, Simmel assumes that these two kinds of totalities oscillate and resonate with each other in one rhythm but do not become unified. In this way they differentiate forms of life.

Moreover, empowering one of these processes does not destroy the second but makes it stronger and more intense. The dynamic of the modern world implements an abstract system which paradoxically strengthens individualism and resistance against unification forces. A general strategy of becoming seems to be a double move: disruption of the sequence and the simultaneity of rhythm and symmetry through agreeing on a rhythm between individuals. Thus, the condition of the modern individual implies the dissemination of a system—a dynamic chaos which creates instantaneous, temporary enclaves of stability. Here is how new phenomena arise. Compared with the Hegelian/Marxian dialectic, fusions of polarities are identified in a myriad of social forms, without any final state or the end of history. Now, in seeking to delineate and fully reconstruct what I call Simmel’s economy of desire, we must turn to Freud’s libidinal economy of drives.

Freud's Idea of a Libidinal Economy

The pleasure principle seems actually to serve the death instincts (Freud 1961: 57).

Freud developed his idea about the economical aspect of psychic apparatus over many years and based it on his empirical observations and therapy experiences (Ricoeur 1970). He subsequently elaborated the idea of a libidinal economy in his famous essay *Beyond the Pleasure Principle* ([1920], 1961). In this text, he developed the “economic point of view” on organic life and its libidinal energy. Above all, he claims that the amount of energy is limited. Thus, he advances “the hypothesis that psychical processes consist in the circulation and distribution of an energy that can be quantified, i.e., that is capable of increase, decrease and equivalence.” In effect we can “follow out the vicissitudes of amounts of excitation and arrive at least at some *relative* estimate of their magnitude” (Laplanche, Pontalis 1973: 126). Furthermore, the economic point of view consists in taking into consideration psychic investments (*Besetzung, cathexis*), that is, their movement, variations in their intensity, and the antagonisms that arise between them (see: Lyotard 1993). Generally speaking, the whole functioning of the apparatus may be described, in economic terms, as the interplay between disparate investments. These investments vary because they are subject to the types of logic of two different psychic agencies: the Id and Ego.

We can say that the first is driven by a constant pressure, which constitutes a “demand for work”; the second—the Ego—is a kind of tension leveler, a mediator between stimuli from external and internal origins. The apparatus carries out work that is variously described by Freud as a transformation of free energy into bound energy, or as a postponement of discharge, or as the psychical working out of excitations, and so forth. According to him the main aim of these efforts is to sustain libidinal energy at the lowest level. Thus the pleasure principle (*Lustprinzip*), which demands the balance of homeostasis, is a servant of the death drive, and the reality principle is a condition of our individual existence, postponing the moment of judgment. In this particular resistance the subject (Ego) seems to be a guard, sustaining life. “The result is brought about by the influx of fresh amounts of stimulus. This tallies well with the hypothesis that the life process of the individual leads for internal reasons to an abolition of chemical tensions, that is to say, to death, whereas union with the living substance of a different individual increases those tensions, introducing what may be described as fresh ‘vital differences’ which must then be lived off” (Freud 1961: 47).

Thus, as we see, the essence of life entails apparently contradictory tendencies, but from the Freudian perspective they are not opposite to each other. On the contrary, these two principles mutually strengthen each other and work on different levels of the apparatus, being the source of a living tension. As a result, beyond the pleasure principle we find the principle of economic accumulation and the proliferation of life—life that wants to be more intense and more complex (despite John Maynard’s famous saying that “in the long run we are all dead”). In the last instance death [the absolute balance] unfolds before our eyes as a horizon of immanence. As Freud wrote at the end of the essay:

Our consciousness communicates to us feelings from within not only of pleasure and unpleasure but also of a peculiar tension which in its turn can be either pleasurable or unpleasurable. Should the difference between

these feelings enable us to distinguish between bound and unbound processes of energy? or is the feeling of tension to be related to the absolute magnitude, or perhaps to the level of the cathexis, while the pleasure and unpleasure series indicates a change in the magnitude of the *cathexis within a given unit of time?* (1961: 57).

Obviously, the question of linking time and timing with conscious activity is a crucial point in the economic analysis of living forces. From this viewpoint, cultural repression and restraints could be described as the effective governance of an anonymous drive by transforming it into a specific desire for an object (see also Freud 2002). Our desire differentiates and unifies objects at the same time because it uses the activity of consciousness. In effect we have no contact with drive as such; we are aware only of desires as articulated and individual forms of the collective, unconscious drive. There are two serious advantages to this transformation: a promise of fulfillment (because we desire only that which we can attain), and the possibility of (inter)changing the object of desire through the process of sublimation.

The repressed instinct never ceases to strive for complete satisfaction, which would consist in the repetition of a primary experience of satisfaction. No substitutive or reactive formations and no sublimations will suffice to remove the repressed instinct's persisting tension; and it is the difference in amount between the pleasure of satisfaction which is demanded and that which is actually achieved that provides the driving factor which will permit of no halting at any position attained (Freud 1961: 36).

Here is the genesis of the desire for self-improvement, for development, for being in motion, which is so characteristic of the condition of the modern subject. Obviously, Freud's libidinal economy is much more capacious than Simmel's economy of desire in regard to the extent of analysis. The former refers mainly to an unconscious drive (*Lust*) and its manifestations on a conscious level, focusing on the interactions between two psychic agencies. However, Simmel was aware of the anonymous drive (*Trieb*) as a live energy acting within everyone and responsible for the harmony of market exchange. He noticed that we could not be aware of the rules at play in the market because the unconscious is a condition of its symbolic effectiveness and must remain indescribable. Thus, consciousness is a threshold and, paradoxically a veil, between drive and desire. In a Freudian framework, Simmel analyzes the desire for money as a mask for this drive, an individual form of the collective force of biological life. And he shows us how money—a pure metaphor for life—has become its real form today.

Money as a Form of Life

Along with the fact that we *have* boundaries always and everywhere, so also we *are* boundaries (Simmel 2010: 1).

Now it is time to consider how the dialectic of money influences life's formations and desire, which has reshaped into a specific modern form—dynamic, condensed, and liquid. I would like to concentrate solely on the relation between money and life. In combining these two perspectives, I am interested, on the one hand, in the Freudian notion of the psychic apparatus as a set-up (not just a human mind) based on economic rules, and on the other hand,

Simmel's quasi-psychological approach to the description of the economic system. As he wrote, "The economic system is indeed based on an abstraction, on the mutuality of exchange, the balance between sacrifice and gain; and in the real process of its development it is inseparably merged with its basis and results, desire and need. But this form of existence does not differentiate it from the other spheres into which we divide the totality of phenomena for the sake of our interests" (2004: 78). Thus we can say that the market, as a virtual space, is a form of objectification of the subject's desire, enabling a certain development and satisfaction. Going a step further, we could say that the transformation of the money economy into the principle governing our lives changes us into *homo libidinous*.

The Freudian libido, articulated as desire, begins to accumulate and produce a differentiated world of values; a set of libidinal investments creates individual sense and meaning in a life trajectory. Due to its collective unconscious characteristics, the market functions effectively as a network of exchange acts. As I mentioned above, according to Simmel we cannot be aware of the principle of value sharing. Unconsciousness is a transcendental condition of the market economy, confirming the indispensability of commodity fetishism as a necessary factor of the world's re-enchantment. If we did not believe that the play of the market makes sense—that it is an instrument of real profit and loss—nothing would work. We believe that exchange objects have value, while we value them by the network of relationships that we invest them with. De facto everything comes down to the play of our desires and others' desires. In this context, Simmel's discovery is an indication of the character of the totality of economic exchange: it is based on calculation and anticipation—the market play thereby confirming its functioning. As Simmel pointed out, "It is of great importance to reduce the economic process to what really happens in the mind of each economic subject" (2004: 81). This seems to be a kind of solipsistic perspective referring to the process of equalization between two inner acts of evaluation within an individual subject. However, such a statement has nothing in common with "psychologism" but is a phenomenological description.

The decisive fact in the objectivity of economic value, which makes economics a special area of investigation, is that its validity transcends the individual subject. The fact that the object has to be exchanged against another object illustrates that it is not only valuable for me, but also valuable independently of me; that is to say, for another person. The equation, objectivity=validity for subjects in general, finds its clearest justification in economic value (Simmel 2004: 79).

Here, Simmel emphasizes that the real process of economization (calculation of profits) happens in our minds, even if the calculation is illusory or phantasmic.

This subjective process of sacrifice and gain in the individual mind is in no way secondary to, or imitated from, exchange between individuals; on the contrary, the interchange between sacrifice and acquisition within the individual is the basic presupposition and, as it were, the essential substance of exchange between two people' [2004: 81].

In the light of the above passages we can assume that economic value is not the same as Marxist exchange value. The first is connected with the subjective condition of the whole economic field. The second is an objective effect of the emerging market as the circulation of commodities. This difference entails great consequences. The fact that every subject suffers losses and obtains gains on his own account could be treated as an opportunity

for individual emancipation. Obviously, the individual does not mean the subjective. Let us remind ourselves of Simmel's basic assumptions: (1) there is no exchange for nothing, which means that real loss assumes symbolic profit, and (2) the possibility of equivalence always denotes some benefits (a positive balance), otherwise no economic exchange would be possible. The balance is based on the principle of stability, which is commanded by "our" mind (the Freudian apparatus), not the market.

In other words, we need a mechanism of sacrifice and renunciation of our desires in order to keep our energy level constant; we only agree to the loss of energy in the name of some other profit, which we positively balance. Furthermore, as *homo libidinous* we need the work of sublimation to sustain this fragile balance. In everyday experience, the subject is structured by its environment through a process we may describe as the valorization of different elements of reality. The primary axiological attitude related to our desires and those of others is deprived of any moral or aesthetic dimension. As the effects of the work of sublimation (an increase of distance to the world and the ability to calculate profit by anticipation of the future), such dimensions are side effects of a libidinal economy.

Looking at the economization of modern life we can see how money, as the embodiment of economic value, becomes the basic principle of the modern world, denoting the fluidity and intensity of life. This approach, which assumes an equivalence of quantity and quality in the notion of abstract economic value, discloses a living potentiality in every exchange. "Because money is, in the same way as language, the existence of the possible 'as such.' It is for this reason that money, rather than the 'real economy,' is able to control and capture the organization of difference and repetition and its motor: the virtual" (Lazzarato 2004: 196). The virtuality of money as a form of life means that the limit between the finite/infinite and the individual/collective is erased. At the end of his great tale Simmel definitively claims that money has become not only a symbol but also the form of modern life.

Conclusion

To conclude briefly, in this article I have proposed rereading and rethinking *The Philosophy of Money* as a new critique of economic reason and desire. Assuming some meaningful affinities between Simmelian and Freudian anthropology I have tried to delineate and reconstruct Simmel's economy of desire (which is ruled by the reality principle) from the perspective of a libidinal economy (which is dominated by the pleasure principle). In other words, the question is the following: What is the relation between money as a principle organizing social-economic reality and the *Lustprinzip* as a boundary of organic life? At the moment when money became one of "the great powers of life" it melded with the logic of the pleasure principle. Therefore, the figure of *homo oeconomicus* transformed into *homo libidinous*.

Simmel's real discovery (backed up by Freud) is the fact that a human subject desires according to his individual law. In other words, the most generic desire of attaining a positive balance is the rule of its historical differentiation and individualization. In a posthumously published essay, *Life as Transcendence*, Simmel writes that "Life finds its essence, its process, in being more-life and more-than-life; its positive is as such already its comparative"

(2010: 17). The same could be said about capital, commonly understood as a historical process in which money makes money. Thus, we can say that for Simmel, who focused only on money, money symbolized the capitalization of life—or, more precisely, money is life's symbolic form. Perhaps it is a potential new form of capitalization—life as an investment for the future, not for living.

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