

unacceptable ethical and political conclusions from them: the systematic critique of all 'constructivism', even of all reformism, and the denunciation of preoccupations with social justice.⁸⁹ One could show that these conclusions in no way follow from the premises, but that would be another debate.⁹⁰ I simply wanted, for my part, to offer up for your meditation a new form, in which it appears that the recognition of misrecognition is the recognition of a real object, not of an illusion, so that the object is not destroyed by the knowledge of it which we acquire.

Money and Mimetic Speculation

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Neoclassical economics is largely founded on the following utilitarian postulate: individual preferences, whether in regard to goods or to strategic objectives, are already determined before any exchange takes place. They are the object of an *a priori* calculus 'of pleasures and pains' which the subject carries out in the isolation of his own consciousness. This proposition seems to us poorly adapted to the context of a society which has made the revolution of use values the mainspring of its development. Paradoxically, it corresponds 'better' to the situation in archaic societies in which consumer goods are submitted to a social control that determines their quantity and quality. Market society, however, obliges us to theorize the perpetual transformation of consumption and production norms. Our thesis is that the utilitarian postulate is a fatal obstacle to such an analysis. The problem must be posed the other way round: rather than supposing the subject to be constituted before the exchange, exchange should be seen as the source of individual desires.

This is the methodological revolution urged on us by A. O. Hirschman, in his book *Shifting Involvements: Private Interests and Public Action* (Princeton, 1982), with the concept of disappointment:

The world I am trying to understand . . . is one in which men think they want one thing and then upon getting it, find out to their dismay that they don't want it nearly as much as they thought or don't want it at all and that something else, of which they were hardly aware, is what they really want. (p. 21)

Thus there appears, between expectation and reality, an irreducible distance in the midst of which is played out a constant redefinition of objects. It is not a question of a learning process at the end of which the economic agents would accede to the knowledge of their own preferences, but of a process without end in which old commodities are eroded and new ones invented. If the utilitarian theory is able to ratify 'changes in taste' *a posteriori*, it is incapable of rendering their

genesis intelligible. Now it is precisely these *endogenous* transformations of social meanings which are, we think, at the heart of the logic of the marketplace. The formalization of this dynamics of disappointment is a stumbling block in the path of every economic heterodoxy.

A. O. Hirschman proposes that we follow Harry G. Frankfurt,¹ who distinguishes first-order desires and second-order desires, or desires about desires. The latter bring into play a 'capacity for reflective self-evaluation'. Amartya Sen's concept² of a 'meta-ranking of preference orderings' belongs to a similar perspective. These approaches do not satisfy us. They do capture one dimension of the problem: the fact that individual preferences evolve as a result of a process of internal criticism. But in their effort to analyse this criticism as the consequence of a second-order choice or meta-choice, they evade the fundamental point: at no level of consciousness does the opacity of desire dissolve away.

It is the analysis of this situation which leads us then to René Girard's theory. In effect, the Girardian individual and the subject in the marketplace are characterized by the same *radical incompleteness*: a desire whose law they do not know, one which does not resolve itself into a more or less lengthy list of objects. Like the Girardian individual, the subject in the marketplace never views his desire head-on; he always reads it obliquely in the gaze of others. This suffering from his lack of closure is something which the producer-exchanger experiences in the unforeseen conjunctures that are forever upsetting his production or consumption plans. Social demand characteristics, efficient technologies, organizational forms and all the other things which condition his life as a producer are revealed to him only *ex post facto*. They impose themselves with the inexorability of upheavals of nature.

This tension that runs through the economic agent leads to the emergence of a specific desire, the desire for *wealth*. Wealth is that principle that Girard calls desire's ultimate goal, the possession of which would finally allow the subject to accede to self-sufficiency. It is what all things are measured against; it is the very substance of social evaluation. The determination of wealth is thus the fundamental economic problem. The dominant strategy in political economy (whether it be neoclassical, Marxist or Ricardian) consists in deriving the definition of wealth from a law at the basis of exchange: Value. There would thus reside, at the foundation of the social order, a principle of coherence manipulating the agents with-

out their knowing. This value is identified with Labour or with Utility, depending on the school of thought. The originality of the Girardian approach, however, is to present itself as the systematic refutation of every objective reference anterior to exchange relations. If a social bond is constituted, it can emerge only from the contradictory encounter of individual desires for fullness. Wealth is but a hypostasized form of individual needs, not the expression of a natural complementarity linking the members of society. Individuals only ever pool together what they do not possess.

The primal scene on which René Girard invites us to reflect is particularly exemplary; the slate of social meaning has been wiped clean; one can see only a crowd of individuals defined by their desire for wealth alone, without merchandise, without money, without government, in the middle of a formless mass of natural contingencies. The desire for wealth, as we have defined it, does not possess any *a priori* point of resolution. It is indefinite, floating. It is proportional to the uncertainty that gnaws away at the economic agents. One must emphasize the rigour of the Girardian logic, of the theoretical enterprise which consists in eliminating every form of transcendence in order to render the social alchemy in all its purity. It culminates in this primal scene which poses in all its magnitude the central economic question: how can the order of the market emerge from an undifferentiated structure of rivalries?

Before turning to the analysis of exclusion, let us note that there is nothing exotic for the economist about this primal scene. It corresponds to the speculative pressures that periodically overheat the financial markets or currency exchanges. Indeed, at the root of all speculation one finds a sudden distrust of the central currency, due for example to significant public debts or to an excessive balance-of-payments deficit. At issue in this distrust is the legitimacy of the monetary sign's representation of wealth.

In this context wealth becomes once again an indeterminate object. Since, at the same time, the economic conjuncture becomes greatly uncertain, the producer-exchangers are going to try to preserve themselves from unpredictable fluctuations by seeking all the more avidly this problematical wealth. But once it ceases to be identified with the instituted money, they no longer know behind which mask it is hiding. Stocks, real estate, gold, foreign currencies, primary commodities, etc. attract the anxious attention of individuals looking for likely refuges from 'the terrible oscillations of chance'.

When the monetary convention was strongly established, everyone was distinguished from everyone else in that he was a concrete producer, attached to specific use values. In speculation monetary mediation vacillates, suspicions arise as to its stability; the system of roles is transformed; distinctions fade away. Individuals are then reduced to their minimal definition, possessors of wealth. This process of undifferentiation transmutes the economic society and its structuring hierarchies into a speculative mob.³ Not knowing which god to worship, each makes of his own unpredictability the measure of the unpredictability of the others. The mimetic hypothesis will allow us to analyse this situation and its evolution. To do this we are going to use a simple model that incorporates certain contributions of Girardian thought.

The Fundamental Girardian Theorem

The central question is how, in the situation of original undifferentiation, individuals determine their choice of objects. This problem is all the more thorny in that our approach can be read as the methodical negation of all guide marks, whether they be internal to the logic of needs or proper to the objects. How then in this state of radical uncertainty, of the disappearance of every reference point, do the agents orientate themselves? Imitation constitutes this rationality 'in the final instance': It reflects the following elementary logic: if the person I copy has some information on the determinants of wealth, I will improve my performance by imitating him; if, as luck has it, he knows nothing, my situation will remain unchanged. For this reason the mimetic strategy is superior to the one which consists in repeating an initial choice marred by a great uncertainty.

There is therefore not the least conflict between imitation and rationality. This is, incidentally, seen very clearly in the fact that imitation is indivisible from learning processes. When one finds oneself confronted with the emergence of phenomena about which one possesses no knowledge at all, imitation is a means of adaptation. But the nature of imitation is ambivalent: as an adaptation of isolated groups to a given situation, it is a performance factor; as a generalized process, it induces an enigmatic drift of individual choices. In fact from the moment when everyone bases his decision on that of his neighbour, supposing that nobody knows what makes up wealth, the mimetic dynamics closes in on itself.

The strangeness of this phenomenon in which the intelligence is

employed not to evaluate the intrinsic quality of objects, but to discover what others imagine their quality to be was captured clearly by J. M. Keynes. It is for him a characteristic expression of speculative behaviour. Thus he writes:

professional investment may be likened to those newspaper competitions in which the competitors have to pick out the six prettiest faces from a hundred photographs, the prize being awarded to the competitor whose choice most nearly corresponds to the average preferences of the competitors as a whole; so that each competitor has to pick, not those faces which he himself finds prettiest, but those which he thinks likeliest to catch the fancy of the other competitors, all of whom are looking at the problem from the same point of view. It is not a case of choosing those which, to the best of one's judgement, are really the prettiest, nor even those which average opinion genuinely thinks the prettiest. We have reached the third degree where we devote our intelligences to anticipating what average opinion expects the average opinion to be. And there are some, I believe, who practise the fourth, fifth and higher degrees.⁴

The operation of this mechanism produces the decomposition of the bonds that might have tied the collective evaluations to any objective basis beyond the market itself. How then is the group going to behave? Will it not be led ineluctably to dissolve under the pressure of rivalries surrounding the definition of wealth? The Girardian thesis is that at the convulsive climax of the crisis of undifferentiation, 'the resolution of the dilemma is at hand. The whole community now hurls itself into the violent unanimity that is destined to liberate it.'⁵ This polarization is born of the amplifying properties of imitation:

The slightest hint, the most groundless accusation, can circulate with vertiginous speed and is transformed into irrefutable proof. The corporate sense of conviction snowballs, each member taking confidence from his neighbour by a rapid process of mimesis.⁶

With the help of a model inspired by a certain number of studies of a sociological sensibility dealing with the transmission of opinions among the members of a group,⁷ we intend to specify the conditions of emergence as well as the properties of this kind of founding unanimity.

Consider a population of N agents indexed by i , i varying from 1 to N . The mimetic hypothesis implies that at the moment $(t+1)$ the agent i chooses his strategy, $s(i, t+1)$, by copying the choice adopted

by an agent j in the preceding period, t . Since we have assumed that stable, objectified relations do not exist among the crowd of speculators, the agent i does not always copy the same agent j . He chooses his model at random from the group of speculators. To be exact, $[p(i, j); j=1, \dots, N]$ will designate the law of the random drawing effected by i from the population under consideration.

We thus have:

$$\forall i, \sum_{j=1}^N P_{ij} = 1$$

It follows that $s(i, t+1) = s(k, t)$ with the probability P_{ik} . We do not necessarily assume all laws P_i to be equal. One can have $P_{ii} \neq 0$, which expresses the self-repeating component, or self-confidence: i reiterates his previous choice, $s(i, t)$, with the probability P_{ii} . One can also have a certain number of individuals to whom i is not directly linked, corresponding to the case $P_{ij} = 0$. Generalized imitation then appears as a stochastic process, since each elementary choice brings chance into play. The process can be completely defined by bringing together all the probability relations obtaining for each individual, which can then be written in matrix form:

$$P = \begin{bmatrix} P_{11} & \dots & P_{1j} & \dots & P_{1N} \\ \dots & \dots & \dots & \dots & \dots \\ P_{i1} & \dots & P_{ij} & \dots & P_{iN} \\ \dots & \dots & \dots & \dots & \dots \end{bmatrix}$$

P is a Markov matrix. The question is how the set of choices prevailing at each moment evolves: what does $\{s(1,t), \dots, s(i,t), \dots, s(N,t)\}$ converge to? We will call $\{s(1,0), \dots, s(i,0), \dots, s(N,0)\}$ the initial choices, at the moment $t = 0$. $s(i,0)$ has the form of an opinion, whether bearing on objects, on presumed causes for the disorders that rock the crowd, or on the victims. One can then demonstrate the following result, or 'fundamental Girardian theorem': under certain conditions to be specified later, *the imitation process converges to the unanimity of the group*. Here we have the logical basis of the victimage dynamic: unanimity of the members through mimetic contagion.

The first property this model yields us is *the indeterminacy of the opinion* on which the unanimity focuses. It can by any one of the

initial opinions, $s(i,0)$. One can none the less assign to each potential final state, $\{s(1,0), \dots, s(i,0), \dots, s(N,0)\}$, a probability $q(i)$ of its being achieved. This varies according to the agents i whose initial opinion is adopted, at the end of the process, as the general opinion. The probability measures the power of the agent i ; that is to say, his ability to influence the group as a whole.

The second property is *the self-fulfilment of the unanimity*: as soon as the members share the same strategic vision, $s(i,0)$, reciprocal imitation no longer disturbs the consensus but instead contributes to its reproduction. This property is entirely independent of the specific content that makes up $s(i,0)$. It springs from the general configuration of the relations among the members of the group. This circumstance has an important effect on the social fabric. The whole subjective dimension of the community's choice fades away: no longer is it shifting, changeable; rather it is stable, no longer a pretext for conflict but a renewed basis for agreement. The individuals are then led naturally to assign the origin of these emergent characteristics to a foundation more stable than the individual or the community; they see in them the effect of objective forces of nature. In the dizzying glare of this social catharsis is thus forged the misrecognition of the real conditions for its appearance, the exacerbation of competitive rivalries. The polarization process itself comes to be cloaked by this misrecognition. When the partiality, the indeterminacy of the chosen object disappears, when the group explains the polarization by certain qualities proper to the object, the basis for unanimity becomes firmer. Imitation ceases to be the dominant strategy; the recurrence of the belief in the chosen object takes its place. There is no more widespread belief in economics than the one that makes prices the expression of inviolable objective realities. J. M. Keynes distinguishes himself once again when in his study of the logic of speculation he underscores *a contrario* the conventional character of certain economic variables. Thus he writes regarding the interest rate:

its actual value is largely governed by the prevailing view as to what its value is expected to be. *Any* level of interest which is accepted with sufficient conviction as *likely* to be durable *will* be durable . . . [It] may fluctuate for decades about a level which is chronically too high for full employment; particularly if it is the prevailing opinion that the rate of interest is self-adjusting, so that the level established by convention is thought to be rooted in objective grounds much stronger than convention . . .⁸

For the unanimity theorem to be valid, an essential condition must hold: the graph associated with the Markov matrix P has to be strongly connected aperiodic. Here it is a question of a very intuitive condition. It means that there is an effective interdependence among all the agents; in other words, that there are not 'too many' zero P_{ij} 's.⁹ It is, in particular, a question of assuring that every agent k can influence every agent j , not necessarily directly in the form $P_{jk} \neq 0$, but through a chain of indirect influences:

there exist i_1, i_2, \dots, i_n such that $P_{ji_1}, \dots, P_{i_1 i_2}, \dots, P_{i_n k} \neq 0$. To put it in another way: if one assigns to each probability $P_{ij} \neq 0$ a directed edge, the property of strong connectivity means that for every j and for every k there exists a path, the union of directed edges, that links them together.

In order to make this clearer, let us consider a situation that does not satisfy this condition. Take the case where the matrix P is decomposable and is therefore written:

$$P = \begin{bmatrix} A & O \\ O & V \end{bmatrix}$$

There exist then two sub-matrices, A and V , which have no relation between them – which are autonomous. In this situation there is evidently no chance of producing unanimity. But that is not at all in contradiction with the Girardian analysis. Indeed, this analysis associates the formation of unanimity with undifferentiated systems. But the decomposability of the matrix P signifies the existence of structural heterogeneities that inhibit imitation. For example, if one considers the group of operators intervening in a commodity market, the differentiation buyers/sellers renders their respective strategies irremediably distinct. They cannot give rise to reciprocal imitation. We will label as differentiation any social topology, whatever its roots – institutional or economic – which serves to block the mimetic process. One can therefore identify undifferentiation mathematically with the property of strong aperiodic connectedness. Our fundamental theorem can then be stated as: *undifferentiated structures converge to unanimity*.

Speculative markets (exchange or financial markets) are precisely structures highly subject to undifferentiation: each speculator is potentially a simple individual in search of wealth; he can be

alternately buyer or seller; he is but tenuously bound to the concrete dimensions of productive activity. A holder of steel stocks can at any time exchange them for automobile bonds. In this way these distinctions can easily dissolve, leaving the operators to relate to one another as doubles. Thus is the influence of imitation powerful. The avoidance of mimetic polarization – on the rise or the fall – and its devastating effects on the real economy explain, then, the rigorous regulations to which these markets are frequently submitted.

Thanks to this model we have been able to bring out the essential properties of mimetic logic: *undifferentiation* of the agents, *unanimous polarization* of choices, *indeterminacy* of the chosen object and *self-fulfilment* of the final state. Here we have characteristics which radically distinguish this analysis of speculation from the habitual corpus. It seems to us that they are entirely confirmed by the empirically observed facts.¹⁰ Moreover, the mimetic hypothesis has fulfilled a certain number of theoretical requirements formulated at the outset. The subject in the marketplace is not closed in on himself; he does not know perfectly what he desires. Use value does not pre-exist the exchanges but is established through the confrontation of rival schemes. The model presented summarily in this text none the less displays a certain number of weaknesses. In particular, since it assumes that the P_{ij} are fixed, it misses the process by which the undifferentiation is intensified. Growing undifferentiation means the formation of new connections between agents: that is to say the passage from P_{ij} zero to P_{ij} strictly positive. For this reason the dynamic formalized here is only weakly cumulative compared to a pure mimetic process.

For utilitarian political economy, bogged down in the metaphysics of the rational subject, there is no possibility of contagion: the individual always decides his private choices with full autonomy according to rigid preferences, decision rules fixed *a priori* without regard for the social configuration. The postulated naturalness of individual desires corresponds to the state of maximum differentiation that can be represented by the following matrix:

$$I = \begin{bmatrix} 100 & \dots & 00 \\ 010 & & 00 \\ \dots & & \dots \\ 000 & & 10 \\ 000 & & 01 \end{bmatrix}$$

One could argue that it is in the formation of prices that these separate subjects come to be interdependent, that they oppose one another. But as is shown by the concept of the auctioneer,¹¹ the neoclassical market is merely a passive location for registering individual preferences. The principle of decreasing marginal utility ensures *a priori* the existence of a single equilibrium. There is no genuine feedback from prices to preference orders, only a mechanical process of trial and error for obtaining the equilibrium or natural price. This is a result of the fact, already emphasized, that this theory assumes the use value to be defined unambiguously before any exchange. The price only serves to bring to light a pre-existing social coherence. It plays this revelatory role thanks to a property deduced from the postulate of decreasing marginal utility: when prices rise, demand decreases.

In the analysis advanced here the situation is quite different. Use value – or wealth – is indeterminate; it is the quest for it that provokes speculation. In this case (according to René Girard's analysis), by a reversal 'that is both eminently logical and self-defeating', violence becomes the signifier of the 'supreme goal'.¹² It is the intensity of the rivalries an object arouses among those who would possess it that becomes the gauge of its capacity to represent wealth. *In a highly uncertain market, price is the indicator of quality.* There thus appear anti-Walrasian effects: as the price increases, the object becomes more desirable and the demand for it grows in consequence. The logic of imitation then introduces positive feedback tied to this new price function. The difficulties in analysing prices stem from their ambivalent nature, at once a plastic form moulded to the contours of the global coherence and a measure of quality.

The Development of Money

Our analysis took as its point of departure the undifferentiated crowd, a crowd in a state of panic where every individual is in search of wealth: that is, in search of identification. This scene, to whose elaboration our whole conceptual endeavour has been directed, has a fundamental theoretic importance: it reveals in all its intensity the violence proper to the market order. The institution of private property provokes the isolation of the producers. For the manifold discussions among men involved in setting up production and distribution in previous societies, the market relationship substitutes

separation. The incompleteness of the subject is derived from this. In studying the logic of the dynamic of undifferentiation, we have demonstrated that it leads to a unanimous polarization on a random object. This choice is none other than the engendering of money. This event has major repercussions; it introduces a *morphogenesis*, a qualitative transformation of social relations. It is the emergence of a meaning, of a language, of a representation through which the community torn asunder constitutes itself as a social totality.

The institution of money can be identified with the formation of market society. Money is first; it is the nexus from which all economic meanings proceed: the panicked crowd gives way to an organized crowd – a society. The strength of this approach is to postulate nothing as to the substance, the content of wealth; *to make meaning spring from an amorphous structure* because it conceives of meaning as proceeding from a formal property, unanimity, and not a substantial one. In economic terms, we substitute for theories of value a theory of money. Whereas the first see the complementarity among members of society as the effect of natural constraints, we analyse it as the product of the monetary relationship, partial and precarious as it is.

In this analysis it is clear that *money has no intrinsic value*. It is the mimetic choice that confers this property on it *a posteriori*: money becomes the basis of social evaluation because the whole community identifies with it. Therefore what is at stake in the subjects' relation to money is not conformity to a hypothetical nature but the approval of society itself. The new social language that is instituted, thanks to which men henceforth can understand each other, is the discourse of prices, the arithmetic of profits and losses. The law that founds it is the rule of payment in cash.

Through the good graces of mimetic convergence, the principle of wealth is able for a time to escape its own indeterminacy: it is identified with money. Thus is engendered a sign radically distinct from all others. By this process difference is born where before was only a formless mass of objects, only the infinite variability of human rivalries. From this founding differentiation, sovereignty, flows the legitimacy of all secondary mediations. As soon as they have been rendered intelligible, then, social arrangements are analysable as an algebra of this original quality. It is a question of dividing, of cutting up. Such is the essence of technocratic practice. Control always proceeds by establishing a network of regulations, of norms, of classifications that aim at carving up the social space. In so far as a

given money represents the supreme goal, the states' practice is validated.

Money encounters no limits to its field of action; it speaks the language of infinite persuasion; there is nothing it cannot purchase. That is the theory of money as superpowerful. But it is a misapprehension of the real nature of the process which made this particular sign into the representation of wealth. There can be no question of an identity such as would be justified by a relationship between similar logical categories, but of a transitory coincidence: what mimetic convergence has made, it can just as easily unmake. In other words, the monetary choice does not radically cancel out the subjects' lack of being; it does not destroy the separation of the market. For this reason the handling of sovereignty is a delicate art.

The monetary crisis is to be interpreted as a resurgence of the desire for wealth. It corresponds to that moment when the central monetary institution ceases to be transcendent but is seen for what it is: one particular sign, contingent, the management of a certain form of economic domination. The conflictiveness proper to the market universe resumes its place at the front of the social stage. Like a gangrene it attacks individual expectations; a new period of instability sets in. Speculation is the mode of expression that most exemplifies this crisis. Our analysis makes it possible to situate with accuracy the stakes: the redefinition of the monetary relationship and its conditions of operation turns on the outcome. Thus one witnesses the constitution of an historical cycle, easily discovered, of creation/destruction of the monetary relationship, with destruction engendering forms that are qualitatively new. Because it establishes the irreducibility of the crisis of undifferentiation, our approach is opposed to technocratic thought: it denies that there can exist a *theory* of social control. Mimetic contagion is what social engineering strategies always end up tripping over; in other words, it is the concept best suited to analysing 'the autonomy of the social'.

Demystification and History in Girard and Durkheim

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Although a certain debt to Durkheim is characteristic of any number of contemporary sociologists and anthropologists, the work of René Girard displays a special affinity to Durkheim's project. One way to express this affinity would be to note that if it is fairly common for contemporary thinkers to retain some Durkheimian motifs, it is unusual for them to maintain Durkheim's realist epistemology and his confidence in the possibility of a true science of mythology and ritual. Inspired by Heidegger and by Winch's reading of Wittgenstein, many contemporary theorists reject above all else Durkheim's project of a scientific demystification of cultural beliefs and practices.¹ Structuralism, they claim, makes the same error by wrongly seeking to cut beneath a culture's self-understanding in search of the hidden and unconscious determinants of action and representation.

Yet Girard boldly supports this very project, and does not believe that the failures of a certain structuralism in any way incriminate the larger ambition. In fact, an important element in his critique of Lévi-Strauss is that it was this structuralist's cultural relativism that prevented him from carrying on with what was important in Durkheim's project: because they are the product of an analysis not controlled by criteria of realism, the various binary oppositions remained little more than gratuitous constructs or theoretical fictions. Girard, then, agrees with Durkheim's attitude – if not with all his claims – precisely to the extent that the sociologist attempted to discern the real causes behind symbolism. It is for this reason that Girard has written that Durkheim's perspective is 'the only one from which the problem of culture, or the problem of language, or, if you prefer, the problem of symbolic thought, becomes concrete'.² Durkheim's approach to the sociology of religion amounts, he adds, to a 'precious legacy' that later theorists have 'obscured and pushed