General and heterodox economics
A working paper for CSA conference seminar *Economy after the Cultural Turn*

*Look at the birds of the air, that they do not sow, nor reap nor gather into barns, and yet your heavenly Father feeds them. Are you not worth much more than they?*

It may be appropriate to reassess Bataille’s notion of general economy at this juncture, a juncture which has particular characteristics not remote from those of Bataille’s world and his thought:

- an expenditure on the potlatch of war¹ (to put it in Bataille’s terms²)
- dramatic movements in the global banking system due to the operation of hypercredit; a consequent fear of economic recession or depression³
- the raising of the question of energy, regarded at a global scale⁴
- luxury⁵
- anxiety of the individual⁶

Bataille’s general economics are presented in his 1933 paper *The Notion of Expenditure* and 1946 book *The Accursed Share – An Essay on General Economy*. It is difficult to assess the immediate influence in France of these texts. Whilst on the one hand the book sold only 50 copies and presumably only obtained a wider circulation after its publication in the *Oeuvres Complètes* in 1967, five years after the author’s death, those who did read it were of some influence. For instance, Bataille gave a copy to Le Corbusier in the late 1940s, and it is possible to read the dramatic change in the architect’s work at that time in the light of this influence (Lahiji, 1996), just as his work from the 1910-25 period can be read as being influenced by a reading of Nietzsche and the consequent architectural “revaluation of all values”. However, if the immediate influence is unclear, the original context of 1930s

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¹ see for instance Bilmes & Stiglitz, 2008 in relation to current expenditure
² see the section in *The Accursed Share Vol 1* entitled “War considered as a Catastrophic Expenditure of Excess Energy” where Bataille states “…the ground we live on is little other than a field of multiple destruction” (1988, p23)
³ Goux (2001) puts these dramatic movements in the context of the supposed historical movement away from the “real” linkage of money to gold towards “hypercredit”. His paper is critiqued by Gagnier, R & Dupré, J in the same collection for its apparent abstraction and a lack of attendance to the fact that “someone is harmed”. This writer would tend to defend Goux against this charge: attendance to abstract issues within the situation of a short paper does not necessarily imply lack of attendance or (more particularly) lack of granted value to concrete or empirical issues, or to issues of social justice and welfare. This writer would instead critique Goux’s argument that there is a simple historic development from the “reality” of gold-based money towards the modern “hyper”- or non-reality of money. Taking a position possibly more aligned with Derrida’s (for instance in *Qual Quelle*, or later *Spectres of Marx*) than Goux’s, I would tend to argue that there is an inherent spectral or sur-real quality to money and exchange, from the “outset”, and that the historic development of the notion of money therefore would need to be written in other terms than a movement from real to non-real. This of course ties in with other similar and frequent discourses of the supposed movement of the real to the unreal such as that presented in respect of mathematics in Klein (1992); architectural thought in Perez-Gomez (1985); or indeed more generally in Husserl’s “crisis” of western thought (Husserl 1970)
⁴ “should we not…. pose the general problems that are linked to the movement of energy on the globe?” (Bataille, 1988, p20)
⁵ “it is not necessity but its contrary, “luxury”, that presents living matter and mankind with their fundamental problems” (Bataille, 1988, p12)
⁶ Bataille, 1988, p13
The argument of the 1933 paper runs in outline as follows:

- the classical principal of utility is insufficient as an explanatory tool: Bataille states that whenever this topos is deployed, “the debate is necessarily warped and the fundamental question is eluded”
- human activity cannot be reduced to production and consumption
- consumption is of two kinds: firstly, productive activity necessary to human life; secondly, “so-called unproductive expenditure: luxury, mourning, war... games, spectacles, art” for which the word expenditure should properly be reserved. This expenditure is characterised by a loss by means of which the activity obtains its meaning
- “expenditure” includes phenomena such as gifts and potlatch (citing Mauss), although these phenomena, Bataille acknowledges, “are not distinguishable from exchange”. This ambiguity to the notion of potlatch/gift has been remarked upon.
- the paper concludes where it began: human life cannot be reduced to rationally-assigned “closed systems” (such as that implied by so-called classical economic “utility”)

The “Laws of general economy” stated at the beginning of The Accursed Share develop more explicitly the way in which such a reduction cannot obtain:

- general economics is to consider economics as a whole, and therefore not as a limited system. Science, according to Bataille, legitimately attends to such limited systems; but these limited systems must be put in context. (It follows, therefore, that general economics cannot proceed scientifically. The general question as to whether legitimate conclusions can be drawn a from a necessarily non-scientific discourse is therefore implicitly posed and answered in the affirmative.)
- this general context is one of excess energy, derived from the sun
- excess energy has to be dissipated, and this dissipation occurs by means of various forms of squander or luxury: “the history of life on earth is mainly the effect of a wild exuberance”
- nature’s luxuries are eating, death and sexual reproduction
- war is one means of man’s dissipation of excess energy
- the key thought of general economy is “the explosive character of the world”. Thus, for Bataille, there is a curse weighing “on human life insofar as it does not have the strength to control a vertiginous movement” (40), a movement that results from the necessary dissipation of excess energy

These general economic laws have a fundamental presupposition relating to the inclusion of subsets within sets, without which the whole logic of Bataille’s enterprise fails. Science, for instance, is not disparaged as a discipline; rather, it is given a place as a subset of general economics. Likewise, while the second volume of The Accursed Share (as published in English) engages with the question of libido, the history of sexuality and the body, the original text from 1946 considers the more general issue of excess energy in the world system, of which those questions are specified as a subset. Some interpreters of general economics and 1940s war is by contrast transparent and, in the case of the latter, an explicit theme of the book.
economy do not appear to take into account the logic of this presupposition. Mirowski (2001) argues that Bataille (amongst others) takes his departure from Mauss’s gift essay⁹. However, the question of the gift is a result of the issue of general economy and the movement of energy, not its root. Bennington (1995, 53) argues that the extension of Bataille’s argument “into the cosmos... seems extremely perilous”¹⁰ and that Bataille’s general economic is in fact a restricted one. He thus concludes that “this is why, in spite of Bataille, there is no lesson (or political or economic programme) to be drawn from this book” (55). Taking Bataille at his word, he would agree neither with the premise nor the conclusion of this statement: the nested structure of restricted economies – potentially effective in their own realm – within general economy makes the reduction of the latter to the former impossible (should we accept the premise). In turn, the lesson to be learnt would involve not only brining the fact of general economy to consciousness, but might also lead to extraordinary political and economic actions¹¹. Goux, despite admiring Bataille’s “great force of conviction” (1990, 207), argues that he finds himself in the “bad company” of US 1980s neo-conservatism in the shape of Gilder (1981)¹², and takes it as read that his primary concern is to relate economics back to “the deepest values that animate society”, namely, “its sense of the sacred” (206), which again is to mistake that which Bataille derives from general economy (such phenomena as the “sense of the sacred”) for its meaningful and value-laden source¹³.

For Bataille, such a source is missing. Energy flows result in value systems, not the other way around. In this sense his text is not amenable to deconstruction, as Derrida confirms implicitly by raising no objection to the notion of general economy (1978) as he ties the

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⁹ “In economic anthropology, all roads to the gift lead back to Marcell Mauss... many major protagonists of French structuralism and poststructuralism take their departure from Mauss: Levi-Strauss, Bataille, Baudrillard, Lyotard and Derrida in his Given Time.” (Mirowski, 2001, p439). This writer would question Bataille’s status as either structuralist or post-structuralist. (Likewise, the aim of this paper would be to position Bataille outside the structuralist/individualist divide that Charusheela (2005) analyses.) Mirowski admirably outlines the complexity of the notion of the gift and its relationship to paradox and recursion: “Gödel [would indicate that] ... some results capable of being stated within the system cannot be proven or even calculated within the system. This is especially true in the class of recursive functions, or statements made within the system about statements in the system... I would like to suggest that the category “gift” tends to occupy this relationship to the price system...”, whilst in passing critiquing, for instance, Derrida’s similar stance in this regard (down to the reference to Gödel). He thus tends to argue somewhat “from/to” as defined by Derrida in Limited Inc p47

¹⁰ another “from/to” argument: Bataille would no doubt agree that this form of thought is dangerous. If a thought is dangerous, what responsibility does that place on the person who might come to think it? Is avoidance of such thought an appropriate political position? Or would avoidance leave the field of that thought open to those who would exploit that danger in an evil way?

¹¹ one such example suggested by Bataille is the gift of vast sums of money from the United States to the developing economy of India

¹² a reference which Blood (2002) takes up, regarding Bataille as one who lifts rational distinctions (p855) and who is aligned with (right-wing) “economic formalism” (p856). I would rather place Bataille’s concerns as outside the scope of the distinction between form and content – again, a derived conceptual pairing which arises as a subset of general economics.
restricted economy to philosophy’s and phenomenology’s instauration of meaning and Bataille’s notion of sovereignty to the destruction of meaning without reserve (270). General economics is not amenable to deconstruction because it has already deconstructed itself, that is, given itself over to the question of the differential in preference (pace Mirowski, Bennington and Goux) to that of the source. The source becomes an effect of the general economy of differences, of the general effect of energy flow. For the same reason, although Deleuze makes few references to Bataille, his work in the 1960s – in particular the Nietzsche book in its reference to Nietzschean differential play of forces (ie, foregrounding the question of energy) – aligns with a general economics.

Therefore, rather than attempting to tie general economics back to more rooted phenomena such as sexuality, the sacred, the gift or restricted economies, I would instead point to its consonance with another discipline which derives order from “relational” movements and forces. Bataille’s argument has similarities with the mid-century science of general systems theory (von Bertalanffy, 1968), concerned as it was with energy flows, open and closed systems, entropy, negentropy (negative entropy or syntropy), information quantities and positive and negative feedback mechanisms. General systems theory was “general” in an analogous sense to that of general economics: it enquired about the intrinsic and inevitable effect of energy flow. Energy flow was regarded not as a result, but as that which generates results – specifically, information or the opposite of entropy – ie, negentropy. General systems theory influenced and was influenced by theories of organic development and ecosystems theory, and Bataille makes reference to Vernadsky’s The Biosphere (1926, French translation 1929) in his notes.

General systems theory uses the notion that the second law of thermodynamics – the law of increasing entropy – applies only to isolated systems, and considers the implications for non-isolated systems. It posits two types of system: closed systems, into which flow no energy (equivalent to a thermodynamic isolated system) and open systems, through which there is an energy flow. Closed (isolated) systems will experience an increase in entropy, which general systems theory tends to associate with disorder (although conventional thermodynamics does not make this equation; a thermodynamic system with increased entropy can sometimes evince increased order, such as the formation of crystals). By contrast open systems, that is, systems in which there is a throughput of energy, will experience a reduction in entropy and an increase in “information” (order). The earth, considered as a whole, is one key example of an open system because it receives energy

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13 Michelson (1986) likewise states that Mauss is “evidently fundamental to the elaboration of a general economy centred about the notion of expenditure” (pp116-117)
14 Vernadsky coined the term “biosphere”, and was influential on the development climate change science
input from the sun and radiates energy outwards. Organisms are another example. General systems theory therefore posits that it is because the earth (considered as a whole) and organisms are open systems with a throughput of energy that they become developed; that is, over time they increase in orderliness.

Bataille similarly bases his notion of general economy on the idea of the earth as a system with a throughput of energy: the gift, without return, of heat from the sun. From this gift, from this differential force, intermundane order and meaning is perforce created. The analogy between general economics and general systems theory extends further, to the critical question which Bataille sees mankind facing, that is, the “curse” of our inability to control “vertiginous movement”, since this movement is the result of what systems theory will call “positive feedback”. Self-regulating systems tending towards balanced states exhibit feedback of a negative type (the example von Bertalanffy gives is the thermal homeostasis of living organisms, which maintains a constant body temperature; the non-organic equivalent is a heating thermostat). Positive feedback, by contrast, is the tendency for systems organised in a certain way to spiral away from homeostasis with sometimes dramatic effect. It is this dramatic effect which Bataille names as a vertiginous movement.

The ramifications of general systems theory are hard to discern; certainly theories of ecology, climate change, cybernetics, information science, chaos theory and emergent systems theory are at least part of the same ambit, if not directly influenced by it. Part of the difficulty in assessing this is the borderline status of some of these disciplines vis-à-vis what is thought to be conventional science; another difficulty lies in the common opposition of, for instance, general systems theories of the development of the organism with more accepted theories of Darwian evolution. The latter is generally thought to operate on a conventional (restricted economic) basis of utility and fitness; the former, on notions of teleology and prior cause. This opposition is echoed in the work of Bagemihl, whose book *Biological Exuberance* (1999) at once amasses empirical evidence of the exuberance of animal life – in particular sexual and homosexual exuberance – and begins to posit a supposedly non-Darwinian theory of evolution which he bases explicitly on Bataille’s *The Accursed Share*. As I have argued elsewhere, this opposition does not necessarily need to be maintained. Although natural selection doubtless operates according to a restricted economy, natural selection is not the sum total of Darwin’s theoretical output: he noted in...
effect that a general economy of exuberance was necessary as an initial condition in order for natural selection to do its work: “there is no exception to the rule that every organic being naturally increases at so high a rate, that if not destroyed, the earth would soon be covered” (Darwin, 2003, p134). In turn, Bataille will echo that “as a rule, the surface of the globe is invested by life to the extent possible” (p29).

The exact scope of so-called heterodox economics is likewise difficult to essay. However, if we conclude with Lawson (2006) that orthodox economics deals primarily in “mathematical-deductivist” fashion with closed systems of an atomic nature, and that heterodox economics grasps the fact that this ontological presupposition is inadequate to social reality, then we might well be tempted to place any economic theory which takes Bataille’s general economics seriously on the side of the heterodox. However, this may depend in turn on our notion of mathematics. Whilst for Husserl and Klein mathematics derives primarily from a primitive and supposedly intrinsic notion of the phenomenological reality of number—a notion that has, they argue, become increasingly abstracted over the course of the history of mathematics, philosophy and science, and whilst it is this notion of mathematics which appears to underlie Lawson’s characterisation of “mathematical-deductivist” thought, we could instead take Cantor’s position and argue that set theory—the idea of inclusion nested within inclusion, that presupposed logic without which general economics collapses—is at least as “intuitive” or primitive as that of number. And it is this mathematics of the inclusion within inclusion of set theory, its associated paradoxes, and the implications of its difference to a mathematics based on number, to which we should perhaps remain more attentive in assessing the deconstructive strength of Bataille’s general economics.

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20 “A further important feature, which is less often recognised (or at least rarely explicitly acknowledged), is that the dependency of mathematical-deductivist methods on closed systems in turn more or less necessitates, and certainly encourages, formulations couched in terms of (i) isolated (ii) atoms. The metaphorical reference to atoms here is not intended to convey anything about size. Rather the reference is to items which exercise their own separate, independent and invariable (and so predictable) effects (relative to, or as a function of, initial conditions).” Lawson, 2006, p15. Parts I and II of Lawson (1997) also deal with this issue
21 see Lawson’s conclusion (2006) pp22-23. Davis (2006) likewise emphasises the non-atomic nature of heterodox economies, although he draws a distinction between the pre- and post- 1980 situation, does not appear convinced by the opposition of mathematical-deductivist thought to heterodoxy, and asserts the continuing heterogeneity of heterodoxy economics
22 see Hallward (2003), p337
23 see Russell’s theory of types (Russell, 1988). See also Mirowski on this issue.
24 in short, and this thought would need to be developed: it could be argued that “number” tends to presuppose a homogenous field of consideration inside which “the logic of non-contradiction of the philosophers” (to use Vernant’s phrase, 1983, p260) operates effectively. By way of contrast, set theory (the inclusion of sets within sets) posits heterogeneous fields where this logic does not operate except within specific realms (ie within restricted parts or economies)
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