

THE ECONOMIC LIFE OF THINGS

Commodities, Collectibles, Assets

DISCUSSION OF THE shifting dynamics of the capitalist system over the past thirty years has focused on the labour-supply shock and deteriorating conditions of employment, on debt and financialization, secular stagnation and technological advance. Relevant as these aspects may be, they do not exhaust analysis of the changes underway. We will examine two interrelated developments, one of which—de-industrialization—is well known, while the second, the main focus of our attention, does not yet have a name.¹ By ‘de-industrialization’, we do not mean the shift to a ‘post-industrial society’ that was frequently prophesied in the 1960s. This vision did not come about, for our societies are now using more industrially manufactured goods than ever. Moreover, due to computer technology, many sectors that had long remained on the margins of the industrial world—small traders, education, healthcare, personal services—are now adopting the management practices of global corporations, and are subject to accounting standards that come from industry.

De-industrialization here refers rather to the relocation of manufacturing, away from the advanced-capitalist heartlands that will be the focus of this essay, to states where it is possible to pay low wages, even though the peaks of the global ‘value chains’ and much of the design remain in the North. The geographical, social and political effects of these shifts are widely recognized: the closure or demolition of large numbers of industrial sites, left to waste or renovated for other uses, is only their most visible aspect. As many studies have shown, they have also contributed

to the social and political fragmentation of the working class, and have put increasing pressure on the owners of small businesses. Those whose interests are still linked to the old, declining industrial economy are haunted by fears of unemployment, poverty and a drop in status, resentments that have fuelled the rise of the far right.

The second development is harder to designate by a single word or phrase that would synthesize seemingly scattered phenomena. The conceptual frameworks—semantic, juridical and statistical—that underlie contemporary descriptions of the economic and social world were devised in the nineteenth and twentieth centuries, before this development reached a scale large enough to attract the attention of national administrations. We lack a category system capable of generating the totalizations that would enable us to elucidate the specific dynamics involved and to track their progress. We will therefore evoke this development in the first instance by turning our attention to the world of objects, drawing upon our readers' ordinary sense of social reality.

Luxury and heritage

One immediate sign of this emerging form is the increasing visibility given to objects exchanged for very high prices, or high relative to the common run. This phenomenon is apparent not only in metropolitan centres, but also in restored and protected sites or villages, contrasting sharply with the decline of industrial zones. It plays a central role in the mainstream print media, whose readers, though they may be reasonably well off, could scarcely afford to buy the objects presented not just in advertisements but on the features pages. Newspapers with falling circulations have taken to publishing weekly or monthly supplements to bring in money from the luxury-goods sector, in an attempt to buttress themselves against the economic downturn. Examples include the glossy *How to Spend It* supplement of the *Financial Times*, *Le Monde's* weekly *Le Magazine*, *Libération's* *Next*, and the monthly *Obsession*, put out by *Le Nouvel Observateur*. These publications typically combine advertisements for luxury goods—watches, cars, jewellery, perfumes—with articles on

¹A longer version of this essay appeared in *Les Temps modernes*, July–October 2014; it is reprinted here by kind permission. The theses developed are largely a product of the seminar 'L'incertitude sur la valeur. Sélection, évaluation, justification', organized at the EHESS in 2012–13 and 2013–14 by the authors along with Bruno Cousin, Emmanuel Didier, Bérénice Hamidi, Jeanne Lazarus and Daniel Urrutiaguer.

cutting-edge life-style products, desirable locations and celebrity artists or designers; features and advertisements are presented seamlessly, as inextricable components of the same world.

The commodities on display here are valued not for their utility or sturdiness, as is the case for common industrial products, but rather because they are new or different—and, unavoidably, because of their price. They are often associated with national-identity markers, to guarantee their ‘authenticity’—even though, like ordinary objects, their manufacture may be discreetly outsourced to low-wage countries. Their supposed appeal stems from a kind of aura surrounding them, signifying that they are exceptional, the property of the elite: antiques or objects from luxury companies, often presented as the work of artisans—though in most cases this applies only to prototypes—as well as high-end food and wines. Or they might be works of contemporary art, presented at galleries or auctions, which attract interest for their cultural and economic dimensions.

These magazines pay increasing attention not only to the objects themselves, but to the spheres in which they are designed and circulated: to the human beings surrounding them—designers, couturiers, chefs, antique dealers, hairstylists, collectors and curators—and the remarkable ‘personalities’ who link their name and image to these new *objets d’art* (as in the ‘celebrity branding’ of clothes or perfume). These people are the subject of sympathetic media portraits in which they rub shoulders with ‘artists’ in the traditional sense—painters and visual artists. Attention is thus directed towards a set of relatively disparate objects treated as if they all occupy the same plane—a ‘plane of immanence’ one might say, after Deleuze—whether the category is clothing or furniture, decorative or ‘vintage’ objects, old or contemporary works of art.

At the heart of this loose conglomeration is the luxury industry. In France, as in Italy, the sector has undergone particularly robust growth, accounting for as much as 9 per cent of the annual export market. The history of the Kering Group is illustrative: established by Breton tycoon François Pinault in 1963, it flourished after a decision in 2000 to abandon manufacture of industrial products, concentrating almost exclusively on the luxury sector and its much higher profit margins. The ripple effect of such sea-changes in the business world has been felt even in higher-education institutions like Hautes Etudes Commerciales or

Sciences-Po, blurring the line between commercial and creative industries. Most graduates of these *grandes écoles* end up in management or marketing, leading to demand for coverage of contemporary art in their programmes. As one course leader observes: ‘Students see clearly that luxury brands associate themselves with contemporary art, that people like Pinault and Arnault invest in artworks, that the business leaders of their time are patrons. These brands are their future employers.’²

The rise of exceptional objects is flanked by another phenomenon: heritage creation. The heritage brand can now be stamped on buildings, monuments or whole districts, as in ‘France’s most beautiful villages’, with listed areas then subject to ‘protection’ measures, often involving the fabrication of more or less fictional histories. In addition to boosting the tourist industry, this has the effect of driving up property prices; estate agents present themselves as purveyors of ‘real estate as fine art’. The heritage effect can also be manufactured, or induced, by means of cultural events—festivals, centenaries; or an environment that had previously been written off may be restored in order to host artistic spectacles. Classic examples are Barcelona and Bilbao, where the old port was resuscitated in 1997 by means of the Guggenheim Museum designed by Frank Gehry.³ The small city of Arles in Provence, which was declining industrially and had a high level of unemployment, made a similar effort to enhance its image with a museum also designed by Gehry.

The enrichment process

What is the link between de-industrialization, the increased demand for ‘exceptional’ products, and the heritage mania? If the relocation of industrial manufacturing is a genuinely new phenomenon in the advanced capitalist states, the same cannot be said of the luxury-goods market; the elite tastes and consumption habits discussed here stand in a tradition anatomized by Pierre Bourdieu over thirty years ago, in his seminal work *Distinction*.⁴ Our perspective differs from Bourdieu’s in that we focus on the production of wealth, rather than its consumption, in order to understand changes that have affected not only the dominant

² Roxana Azimi, ‘L’élite prend l’art’, *Le Magazine du Monde*, 5 April 2014.

³ David Harvey, ‘The Art of Rent: Globalization, Monopoly and the Commodification of Culture’, *Socialist Register*, vol. 38, 2002.

⁴ Pierre Bourdieu, *Distinction: A Social Critique of the Judgement of Taste*, Cambridge, MA 1984 [French edition 1979].

classes—the term ‘bourgeoisie’⁵ is barely adequate for today’s elite—but the entire cartography of social division. Hence we will begin not with people—the wealthiest decile, for whom these products are intended—but with the objects themselves, examining how they are invested with a value and status of their own, that of ‘richness’.

The social logic of ‘enriched objects’ is quite distinct from that of the industrial world, to the extent that we can sketch out two ideal-types of economy in schematic form. In this context, the term ‘enrichment’ does not refer to the growth of private fortunes, but rather to the processes that increase the value of objects. The two kinds of economy assess value on the basis of different conventional forms, whose nature will be our principal concern. Any object can be enriched, however ancient or modern it is, and the enrichment can be physical—for example, exposing beams in an old house—or cultural, through the use of a narrative device that highlights certain of the object’s qualities, thereby producing and formatting differences and identities, which are primary resources of enrichment economies.

In both enrichment and industrial economies, the value of things is based on the work of many different actors, whose roles are organized into a hierarchy based on their perceived importance and the profit that is expected to accrue at the end. In enrichment economies, these status distinctions are often a function of property rights, especially for intellectual property: a limited quantity of rights-holders co-exist with a much larger number of people performing fragmentary tasks. In other words, we can identify something akin to social classes in both types of economy, but they are based on different selection criteria and do not possess the same contours. Moreover, while the social classes of industrial economies were forged in the crucible of political conflict, and later itemized by government statisticians, the same cannot be said of the divisions now taking shape in the work of enrichment. This has some important consequences. It makes research harder, since it cannot rely on firm statistical data; it is difficult to quantify the economic weight of enrichment-based activity, or the numbers it employs. It combines sectors (art, tourism), activities (museum management, the manufacture of alligator-skin handbags) and employment statuses (casual worker, civil servant, celebrity) that are scattered across the existing social

⁵ Franco Moretti, *The Bourgeois: Between History and Literature*, London and New York 2013.

categories.⁶ More importantly, the decline of the industrial working class and its organizations has yet to be counterbalanced by the emergence of new social identities and conflicts in the sphere of the enrichment economy. For more than a century, the theoretical framework underpinning social criticism and struggle was based primarily on the opposition between workers and those who controlled the means of production. This framework appears to be less of a mobilizing force for those who work in the enrichment sphere—perhaps because it has not been recalibrated to take account of the role played by intellectual property rights in the accumulation of wealth.⁷

We will begin with objects themselves and the modalities by which their value is established, paying close attention to ‘the creation and destruction of value’⁸ and those moments in the ‘social life of things’⁹ when they change hands, whether for money or in the form of inheritances or donations. At such times, the objects undergo a test which establishes their value, either as a price, or through a comparative appraisal with other objects. ‘Price’ here refers to the outcome of the test which takes place when the object changes hands; it becomes an established fact after the

⁶ A study commissioned by the French culture ministry, estimating the added value of cultural activities in 2011, came up with a figure just shy of €58 billion, or 3.2 per cent of total added value in France. This was on a par with agriculture, including the food-processing industry. The sector employed around 700,000 people: 2.5 per cent of all French jobs. This study clearly did not take into account the whole range of activities that we have tentatively described. Serge Kancel et al., *L'Apport de la culture à l'économie de la France*, IGF, Inspection générale des Affaires culturelles, Paris, December 2013.

⁷ We do not accept the idea, drawn primarily from the work of Richard Florida, that modern Western economies are characterized by the emergence of a ‘creative class’ which gives the major cities much of their dynamism: Florida, *The Rise of the Creative Class*, New York 2002; *Cities and the Creative Class*, New York 2005. This social layer is said to be composed of all those who play a leading role in innovation: doctors, engineers, scientific and technical researchers, cultural workers (in the broad sense), etc. ‘Creatives’ can be employees of large companies, or work on a freelance basis. According to Florida, this new class makes up some 30 per cent of the US workforce. Florida does not take account of the distinction we have made between industrial and enrichment economies, and greatly exaggerates the social homogeneity of those he identifies as ‘creatives’. Enrichment economies generate their own class structure, with a patrimonial class of growing importance on the one hand, and a badly paid, insecure precariat on the other.

⁸ Michael Thompson, *Rubbish Theory*, Oxford 1979.

⁹ Arjun Appadurai, ed., *The Social Life of Things: Commodities in Cultural Perspective*, Cambridge 1986.

transaction has been completed. 'Value', on the other hand, serves as the justification for prices, which may be offered prior to purchase, as in the case of an advertisement, or in response to the questioning of a price. Value is thus essentialist: it refers to properties said to be inherent to the object in question; but it remains conjectural as long as the object has not passed the exchange test and found its price.

One cannot really counterpose an object's 'real value' to its 'market value'—in other words, its price—as if the two forms of valuation possessed the same nature. When something is declared to be of immeasurable value, to be 'priceless', this removes it from the field of economic calculation altogether.¹⁰ Rather, the two approaches need to be understood as based on different paradigms or forms. Each of these forms is a collective resource to which actors can refer when trying to orient themselves in the world of objects, as they make distinctions and establish similarities between things so as to establish their value. We will examine three of these: the 'standard form', on which industrial production is based; the 'collection form', which is used to varying degrees by enrichment economies; and the 'asset form', whereby things are valued not in terms of their physical, aesthetic or historical properties, but strictly in terms of the price they are expected to fetch.

Mass-produced values

The invention of standardized production in the nineteenth century was one of the principal innovations underlying the development of industrial society. The unvarying reproduction of a prototype did not simply allow for productivity gains through economies of scale: by codifying the properties of the object in question, usually in the form of a

¹⁰ For this reason, we will not be drawing upon Lucien Karpik's striking notion of 'the economics of singularities' in his *Valuing the Unique*, Princeton 2010. Karpik distinguishes between the exchange of mass-produced commodities, in which the academic discipline of economics is grounded, and a different kind of economic analysis, which looks at things for what is most singular about them. Like a person, an object can be viewed in terms of its singular qualities, and can thus be invested with strong emotional attachments, perhaps even with an obsessive passion—as is often said to be the case for collectors who, as we shall see, play an important role in enrichment economies. But this way of looking at the relationship between human beings and objects drifts away from sociology towards disciplines like psychoanalysis that deal with unconscious processes, to the point where it no longer helps us to understand the process of exchange.

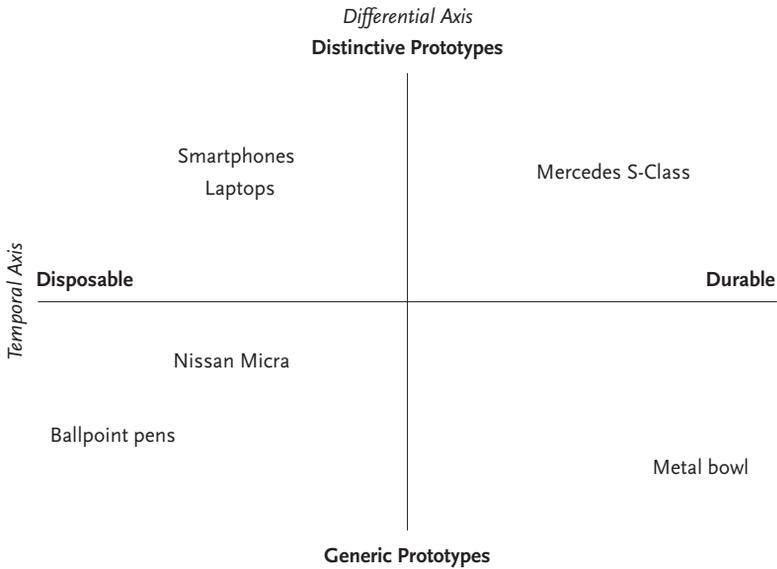
patent granting its holder a monopoly, standardization made it possible to specify the differences between two products that appeared to perform a similar function. In economies based on this form, consumers are meant to have all the information they require to make informed choices, especially regarding the relation between an object's qualities and its price.¹¹ Objects whose value is established by reference to the standard form are always intended for use—something that is far from being the case so far as the collection form is concerned.

The process by which value is established under the standard form can be charted schematically, with objects distributed along two axes (Figure 1). The first, which we shall call the *differential* axis, begins with objects that satisfy generic needs. Their prototypes are very similar, and competition between them is mainly based on price and access to markets. One example would be a ballpoint pen, whose brand matters very little to the person who grabs one to jot down a phone number or a list of groceries. At the other end of the differential axis, we find products whose innovative features are a major selling point, such as computers or mobile phones. The second, *temporal* axis concerns the length of time a product is expected to satisfy its user before it becomes waste. At one end of this axis we will find so-called 'disposable' products, intended for short-term use, such as razors; at the other, products that are considered durable, such as expensive watches that the buyer should be able to wear for decades and even pass on to the next generation. Taking both axes into account, one can draw a diagonal line that distinguishes objects in terms of 'ranges': bottom-of-the-range products, which are only slightly differentiated and not very durable, lie at one end of the line; top-of-the-range products, highly differentiated and very durable, such as a Mercedes car, lie at the other.

Enriched objects

The origins of the collection form can be traced back at least as far as those of the standard form, if not farther. Setting aside the question of

¹¹ Of course, this degree of certainty is only available when the product is new, and declines steadily as it ages. However trustworthy it may be on leaving the factory, in the long run it is still destined to become waste that no one wants and which they will try to get rid of. See the famous discussion of information asymmetry in the used-car market in George Akerlof, 'The Market for "Lemons": Quality, Uncertainty and the Market Mechanism', *Quarterly Journal of Economics*, vol. 84, no. 3, 1970.

FIGURE I. *Standard Form: Value, Time and Difference*

whether the seventeenth-century *Kunstkammer* or *cabinet de curiosités* are precursors of this phenomenon, as Foucault suggested, the development of what we shall call systematic collections began in the first third of the nineteenth century.¹² Such a collection has a serial aspect: it assembles objects that are related to each other by one overriding characteristic, with differences that are organized into a system—for example, earthenware produced in a particular country at a particular time, differentiated according to size, colour, shape etc. This form may have first taken shape in the natural sciences, as a way of categorizing animal or plant specimens, before being applied to handmade artefacts or works of art. In nineteenth-century literature, there are many signs of the new interest in putting together such collections. Balzac's novel *Le Cousin Pons*, serialized in 1847, was one of the first works dedicated to collectors and their collections; Anatole France's debut, *Le Crime de Sylvestre Bonnard* (1881), featured a wealthy Russian who travels Europe in the hope of assembling a complete set of matchboxes. Strikingly, the collection form has become more significant in recent decades: there

¹² Michel Foucault, *The Order of Things*, London 2002 [1966].

has been a proliferation of specialist publications and websites, while studies suggest one person in four either keeps or has kept a collection of some kind.¹³ More importantly, the collection form now plays a vital role in establishing the value of those ‘enriched objects’ that are becoming increasingly salient in contemporary capitalism. As we shall see, the advance of the collection form of valuation, at the expense of the standard form, is linked to the decline of industry in its former heartlands.

A striking feature of the collection form is its orientation towards the past. While the standard form assessed the value of new objects, intended for use, the collection form establishes the worth of older things, independently of their possible uses. The gap between the standard and collection forms is especially clear in terms of cost and waste. The collection form places little emphasis on labour time and other production costs embedded in a product, which are so crucial for industrial economies. But it must take account of other costs that are often very substantial, such as conservation (storage, maintenance, restoration, insurance, etc.). So far as waste is concerned, the collection form reverses the trajectory of objects established by the standard form: instead of decreasing in worth as they grow older, they become more valuable. Pieces that had long been considered worthless junk have been retrieved from old attics or basements—or dug out of the ground—to fetch a hefty price. Many of the items now displayed in museums or galleries fall into this category. This selection process, distinguishing between what is to be conserved and what is to be consigned to oblivion, is the central task of those who work in the heritage field.

These collection-form properties are quite apparent in the case of precious antiques, works of art, historic buildings, even watches or cars that are no longer in production. But can they also be found elsewhere in the world of high-end commodities that we have delineated? The luxury-goods market is certainly no stranger to industrial production methods. Genuinely ‘hand-made’ products are now very rare: typically, a prototype will first be created by artisan workshops, then manufactured on a larger scale in response to growing demand. Nevertheless, luxury firms go out of their way to establish an ‘exceptional’ brand identity by manufacturing

¹³ Susan Pearce, *Collecting in Contemporary Practices*, London 1998; and Russell Belk, *Collecting in a Consumer Society*, London 1995. Naturally, these collections vary widely in size and character: the value of the objects concerned ranges from just a few pounds (postcards, beer mats etc.) to many millions in the case of artworks or classic cars.

products in strictly limited series, with waiting times of months or even years for their wealthy customers; once the series has been completed, any further copies of the original prototype are stigmatized as reproductions. While the price of objects from the original series increases over time, the reproduced objects decline in value, just like any standard product, even if they are identical in every way. These firms also use marketing strategies to set their products and brands apart through association with unique historical figures, artists or celebrities, employing ‘storytelling’ techniques.¹⁴ The establishment of value through narrative links to people who have physically touched the object plays a central role in the collection form, along with the ban on reproduction. Of course, there is no physical barrier to the creation of replicas; indeed, many galleries and museums now exhibit copies in order to preserve the original art-work. But a reproduction is not supposed to change hands for the same price as the original, while a collection should contain only ‘authentic’ pieces: a copy, however perfect, cannot claim to incorporate the force of memory bound up with past physical contact between the original and a particular person or event.

If we turn now to the buyers of luxury goods, the importance of the collection form is even more striking. These are not bought primarily to satisfy a need, as the buyer usually owns a number of functionally similar objects—cars, handbags, or whatever. Obviously, the acquisition of such commodities can serve another purpose, that of conspicuous consumption, drawing attention to one’s wealth; but they often seem to be purchased and stockpiled without ever being displayed before the eyes of others—or even their owner’s eyes, in the case of large-scale collectors. The creation of wine cellars is a case in point, driven by the desire to fill in the missing pieces and assemble a complete series; paradoxically, either a bottle’s contents will be drunk, thus making it impossible to assemble a perfect collection, or else the collection is strictly speaking one of labels rather than wines.

Art’s values

Luxury firms invest considerable resources in scouting the contemporary art world, trying to get their goods to mimic the aura surrounding a work of art: by attaching an artist’s signature to products, financing

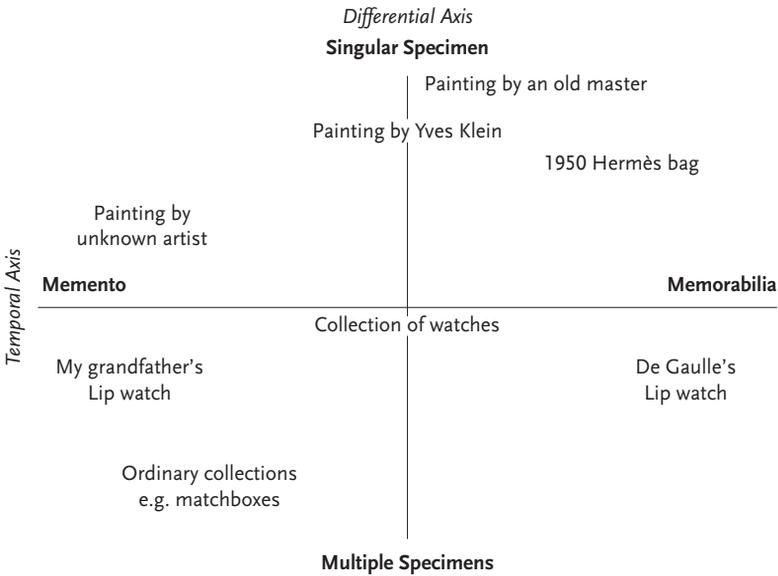
¹⁴ For an analysis of these techniques and their use in marketing, see Christian Salmon, *Storytelling: Bewitching the Modern Mind*, London and New York 2010.

exhibitions or asking artists to decorate their showrooms. Since art enthusiasts are always referred to as ‘collectors’, works of art have a secure place at the very heart of the collection category. The role of contemporary art here may appear to contradict our claim that this form is mainly geared towards the valuation of objects from the past. But a given artefact is only deemed to be a work of art after it has entered the world in which such objects are exchanged; the obvious sign of this elevation is when the object finds its place in a collection. The process is extremely selective: there can be few activities that produce as much waste. In museums, the percentage of works in storage, some of which have never even been catalogued, greatly exceeds those on display to the public. The selection of one artefact from among a mass of similar items destined for oblivion—the normal fate of objects in the standard form, as we have seen—means that those who view it are asked to do so through the eyes of posterity, treating the work as if it already belonged to the past.

The collection form also plays a part in the process of heritage creation. Once again, things from the past that were headed for decay are selected, restored and linked to historical narratives that boost their value. Unlike movable objects, these heritage artefacts cannot be placed together on display: they can only be compared indirectly through inclusion on a list, such as UNESCO’s World Heritage catalogue, often linked to financial and other commitments from authorities responsible for conservation.¹⁵ The very notion of ‘culture’ can open doors to the collection form, when ruins are declared ‘historic monuments’ or when ethnography suggests that common-or-garden objects such as clogs, knives or plastic bags can be collected, valued and placed in museums. Members of a community can exploit the perspective formerly applied to them by outside observers, transforming their everyday lives and products into commodities that can be marketed to tourists in search of exotica.

The modalities of the collection form can also be mapped along two intersecting axes, differential and temporal (Figure 2); but the valences of the two terms here are quite different to those they were assigned for the standard form. The differential axis enables objects and their collectors to be organized hierarchically by reference to two categories: prototypes and specimens. At the base of this axis are collections that assemble

¹⁵ See Marco D’Eramo, ‘UNESCOCIDE’, NLR 88, Jul–Aug 2014.

FIGURE 2. *Collection Form*

specimens of an identified prototype: a quintessential case would be artisanal or industrial objects initially subject to the standard form of value, but subsequently re-appropriated by the collection form after a period of degeneration—for example, collections of matchboxes, pipes or empty beer bottles, initially sold quite cheaply, then transformed into collectible items after having lost all market value, whereupon their price suddenly increased. Further up this axis are collections of objects produced in limited series, such as top-of-the-range watches or vintage cars. Finally, at the apex, the distinction between prototype and specimen diminishes, or even disappears: great works of art are the most striking example.

Turning now to the temporal axis, we find that the key distinction in the standard form—between ‘disposable’ objects and those expected to remain in use for a lifetime or more—no longer applies, since the collection form establishes the value of objects outside use. Furthermore, artworks, which occupy a central place in the hierarchy of collectibles, are endowed with a fictitious immortality by their very selection as art, in a sense placing them outside time as well. Yet the question of temporality resurfaces, in the ability of these objects to produce what we might call

memory effects. Things whose value may seem negligible gain ‘memory strength’ from their direct physical contact with important people or events; this attribute is closely related to the demand for authenticity, so central to the collection form. The price of the objects in question is not merely based on their inherent properties, but on their accompanying narratives and genealogical reconstructions.¹⁶ Memory strength is a quality that is socially attributed and can vary over time, depending on the available evidence and on how history is written. Thus at one end of the temporal axis lie things whose memory effect is weak, operative for only a small number of people, or perhaps just one—a personal souvenir, for example. At the other end are objects that evoke memories for large numbers of people: for example, the Lip watch said to have been given to Winston Churchill by De Gaulle.¹⁷

Filling the gaps

The economy of things whose circulation is subject to collection-form values can be illustrated by examples that allow us to sketch a kind of ideal-type. Stamp collecting is a case in point. Now almost obsolete, philately was very much in vogue for much of the nineteenth and twentieth centuries, when it played an important educational role, helping young middle-class people to familiarize themselves with certain aspects of the capitalist and colonial worlds.¹⁸ Building a collection is rarely a solitary activity: it nearly always implies the existence of a community of collectors who trade with one another, and thereby establish a system of principles governing the field as a whole. Individual collections, which may be the products of chance encounters, diverse tastes or idiosyncrasies, are regulated by an ideal collection, based on shared conventions. It consists of the complete set of objects subject to a single collection principle (and distinguished from each other on grounds that are codified in similar fashion). In that sense, a collection is not so much an assembly of objects as a systematic organization of differences. For

¹⁶ One famous example is the controversy provoked by the drawing *La Bella Principessa*, which hinges on whether Leonardo da Vinci was the artist. The sketch has been valued by Christie’s at \$12–15,000; if experts were to confirm that it was really da Vinci’s work, it would be worth around \$150 million.

¹⁷ This also applies to artworks: a painting widely considered mediocre or forgotten altogether can still have a high value in the eyes of the painter’s mother.

¹⁸ Steven Gelber, ‘Free Market Metaphor: The Historical Dynamics of Stamp Collecting’, *Comparative Studies in Society and History*, vol. 34, no. 4, October 1992.

each collector, there is a gap between the ideal collection and what they have managed to put together thus far. Because of the reproduction ban, there can be no question of filling in the missing pieces by getting a craftsman to create a new specimen based on a prototype. Unless collectors stumble across a previously unknown source of objects, they can only plug the gaps in their collections by trading with others active in the same field.

In these exchanges, the advantage lies with those who were quickest to establish themselves in a particular field. They would have been able to get hold of collectibles more cheaply, before demand began to rise; more importantly, they would have played a part in determining the shape of the ideal collection. Newcomers have to adapt to conventions that are now firmly established in the field, by which point some objects will be relatively easy to obtain, while others will be rare and costly, often already in the hands of the early collectors, who are loath to part with them. The options available to late arrivals are limited. They could simply abandon the collection and move into another field (we met one collector who had initiated twenty-five successive collections, all incomplete). Another option is to remain in the field and try to reshape its contours to your advantage. This strategy is far more difficult and time-consuming: if it is to be successful, the individual in question must gain a certain influence over all those operating in the field, which often depends on holding a position of authority. In the arts, this could mean being an influential critic or a collector whose good taste is widely recognized.

The importance of such interventions should not be underestimated. Since the late nineteenth century, aesthetic innovation has often been associated with a 'standard of originality' characteristic of modern art, and with avant-garde rebellions against the conformism of academic control systems. Works by Pierre Bourdieu and Raymonde Moulin have helped us to see that 'originality' in this sense was linked to the formation of specific fields in which artists competed for recognition.¹⁹ To this structural analysis, which emphasizes the distinction strategies of artists themselves, we should add the role played by collectors. Far from being devoid of any social function, 'art for art's sake' does have a functional side, stemming from the restrictions buyers face in completing

¹⁹ Pierre Bourdieu, *The Rules of Art: Genesis and Structure of the Literary Field*, Cambridge 1996; Raymonde Moulin, *L'Artiste, l'institution et le marché*, Paris 1992.

or expanding their collections. They can try to reshape the field by turning to new artists whose works are more easily accessible, whether obscure contemporaries or forgotten minor masters; but this will mean operating in tandem with art critics and curators to establish the newcomers' value, providing them with their own narratives or grouping them together in a 'school'. If these tactics succeed, a growing number of collectors will become interested in works first 'recognized' by the innovators, and the exchange price will rise. One can see this process at work today in 'emerging' countries like India, Brazil or China, where new collectors—partly for reasons of national pride—are trying to establish the value of past works by overlooked artists in their own traditions. The result will be not only to raise the price of those works, but to modify that vast imaginary collection called the history of art by expanding its geographical range.

So far we have looked at the activity of collectors in isolation from the broader economic context. But collectors always have other interests, from which the financial resources they dedicate to their 'passion' derive. The practice of collecting was originally regarded as a hobby or pastime, and consequently treated as a marginal or even parasitical activity, grafted onto other ways of acquiring wealth. It was for precisely this reason that collection-related activities first managed to occupy the place they still hold in the economic order. Collecting still operates within the cognitive structure that accompanied the development of capitalism, based on a homologous series of oppositions between work and leisure, necessity and excess, business and pleasure—in the nineteenth century, the 'mania' of collectors was often considered a substitute for sexual activity²⁰—but also 'masculine' and 'feminine' activities, with cultural practices gendered accordingly. The collection form arguably eluded such careful distinctions. In this area of marginal significance, the tension between what was beautiful, or gratuitous, and what was useful, or interesting, could be suspended. Nineteenth-century narratives about collectors inextricably blended the languages of passion and commerce, love for objects and love for money. Avarice, bitterness and deception, qualities often associated with critical representations of finance, were the meat and drink of such tales. Balzac's *Cousin Pons* is never really

²⁰ This would later be a common trope for psychoanalysis. The psychoanalytical literature on collections and collectors is abundant, stimulated by the fact that Freud himself was a collector: see Michelle Moreau Ricaud, *Freud collectionneur*, Paris 2011; Gérard Wajcman, *Collection, suivi de L'Avarice*, Caen 1999; Werner Muensterberger, *Collecting: An Unruly Passion*, Princeton 1993.

satisfied unless he manages to obtain the ‘beauties’ he covets for a price below their ‘true’ value—in other words, lower than it will sell for in the future, when his exceptional taste and flair are recognized by a wider community of enthusiasts.

The collection form makes it possible to neutralize the tension between an object’s ‘intrinsic value’—derived from what makes it unique, and thus incommensurable with other objects—and its market value, formalized as a price through the test of exchange. Transactions between art collectors are a case in point. A work’s recognized value is based on the collective judgement of critics, curators and art historians, who often work for institutions (museums, universities) funded by the state or by charitable bodies. They are not supposed to take the price of a work into account: indeed, complete indifference to such ‘economic’ considerations has long been considered essential if their evaluations are to be taken seriously. But at the same time, these ‘autonomous’ decisions supply the essential foundation for the prices agreed between artists, sellers and collectors. For the price of a work to be legitimate, it must appear to correspond with the value assigned by those who are meant to be above such trifling matters. The two sets of actors must be kept at some remove from each other: if the line becomes too blurry, the process of establishing value for a work risks being dismissed as a crude ploy to hike its market price.²¹

Goods as assets

When the bodies that determine value and those that determine price become too intimate, it tends to cast doubt on value and also makes it easier to dispute prices, which no longer appear to be anything but value expressed in monetary form. The reason for this is that objects can always circulate according to principles that are neither those of the standard nor the collection form, but instead conform to constraints that

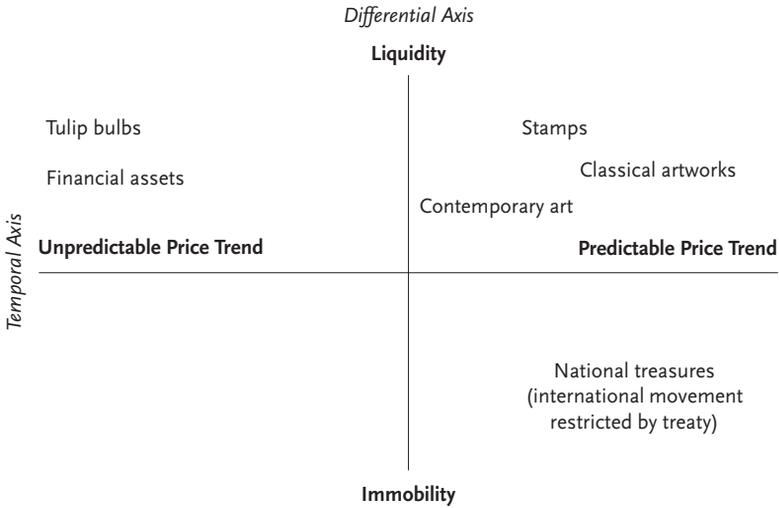
²¹ Artists and critics have levelled precisely this charge against collectors in recent times, accusing them of usurping the prerogatives of institutional bodies. This trend is said to be linked to the decline of public funding and the growing importance of ranking lists. The *Kunstcompass* provoked indignation when it was first published in the 1970s—some artists even demanded that their names be removed—but such lists have proliferated to the extent that they are now indispensable tools for the evaluation of works, artists and even collectors themselves (with publications listing ‘the most influential figures of the contemporary art world’, ‘the reputation-makers’, and so on).

could be called the ‘asset’ form, in the sense of items bought purely for the opportunity they offer to accumulate capital. Here, the only relevant property of the object is its price. Anything can be an asset in this sense, regardless of its ‘standard’ or ‘collection’ value. Treated as assets, objects are of value insofar as they constitute capital—and, taking account of their current price, can be considered possible sources of enrichment and future revenue. Again, we can consider the modalities of value under this particular form by reference to dual axes (Figure 3). In contrast to the standard form, the question of utility no longer applies to the differential axis; nor does the place of the object in serial sets, which is so important for the collection form. But other differences do come into play with the asset form, especially the ease of converting the object into hard cash: its liquidity. Three factors are worth mentioning in this respect. The first is the transportability of the object (or its title deed). The second is the ability to conduct transactions discreetly—to buy or sell the asset without attracting the attention of tax inspectors, for example. The last concerns the existence of reliable tools of assessment that can be used over a wide geographical area, so that the object can be bought or sold for a similar price in many different places. Again, philately offers an example of collectors’ items that can readily be turned into assets. They are small, easy to transport (or hide), and usually registered in catalogues that include a description of the stamp and a list of the prices paid in previous transactions. A single specimen, such as the famous Penny Black, can thus be purchased for more or less the same price in different markets.²²

Similar things could be said about paintings, manuscripts and old books, which have the advantage of being relatively easy to transport without attracting much notice, enabling their holder to avoid taxation—something that is harder to pull off in the case of property assets (an apartment in central London or Paris cannot simply be moved to another country).²³ A written deed registered with the authorities will change hands, but this can be kept obscure through complex financial arrangements. The price stability of a painting in different markets will

²² Antony Kuhn and Yves Moulin, ‘Le rôle des conventions de qualité dans la construction d’un marché: l’évolution du marché philatélique français (1860–1995)’, *Entreprises et histoire*, vol. 4, no. 53, 2008.

²³ To get some idea of the advice that financial specialists give to art buyers who are concerned about tax efficiency when making this type of investment, see Ralph Lerner, ‘Art and Taxation in the United States’, in Clare McAndrew, ed., *Fine Art and High Finance: Expert Advice on the Economics of Ownership*, New York 2010, pp. 211–48.

FIGURE 3. *Asset Form*

largely depend on the ‘recognition’ achieved by the artist. One of the roles played by major auction houses, which publicize the prices paid for artworks (though not the buyers’ names), is precisely to regularize the value of these works and give them the character of liquid assets. In this sense, paintings can almost play the role of money surrogates.

In contrast, the prices of second-hand goods—also sought by collectors—can fluctuate widely, depending on the context. One second-hand goods dealer gave a summary of the factors involved:

To know, first one must see. But this is not enough: even if I have a Daum vase, an ivory statue or a violin, for me, its monetary value still depends on several criteria. Is it the price I would pay in China? The price I would pay in an auction room? Or the price I would sell it for? And in that case, where? On the pavement at the Vanves flea market, or at the Brion Market in Saint-Ouen? At the Swiss Village, at the Louvre des Antiquaires, or at the Carré Rive Gauche?²⁴

When objects are treated as assets, their capitalization—that is to say, the present value of their anticipated future revenue stream—is defined

²⁴ Hubert Duez, *Secrets d'un brocanteur*, Paris 1999, p. 65. For a most enlightening study of price determination in flea markets, see Hervé Sciardet, *Les Marchands de l'aube: Ethnographie et théorie du commerce aux Puces de Saint-Ouen*, Paris 2003.

in relation to the temporal axis. The aim of capitalization is to estimate the article's current price: what a buyer would be prepared to pay now to secure its ownership, in hope of future revenue, instead of investing this money in another transaction involving other goods. Buyers will therefore compare the object's price with their best estimate of what it might yield or cost in the future, implying a specific relationship between the future and the present. But this estimate can only enable the article's value to be set as current capital if it is balanced by a discount rate that incorporates the cost of time, usually indexed at the current interest rate, and the cost of risk, as an estimate of the chances that the revenue will actually be available on a certain date. Again, the latter depends on an estimate of the relationship between the profits expected from a high-risk transaction and the costs of reducing that risk. In the asset form, then, the temporal axis is directed neither towards an outcome that sees objects doomed to become waste, as in the standard form, nor towards their immortal preservation, as in the collection form, but is determined by reference to more or less distant futures.

The temporal axis of the asset form could therefore present an opposition: at one end, assets that promise future profits whose forecast takes into account a moderate risk cost, on condition they are traded in the short term—for example, because their circulation would benefit from mimetic effects favouring speculation, as is often the case for financial assets, though also for works of art; in other words, the preference for present profits wins out over the future.²⁵ At the other end of the temporal axis, assets that one hopes will bring future profits in the long term—in other words, revenue high enough to compensate for the elevated costs of time and risk. In the first case, assets change hands rapidly, as each buyer not only seeks to subject them to the exchange test in hope of immediate profit while the trend is upward, but will also scramble to offload them as quickly as possible when the market goes into reverse. Financial crises are the best-known examples of such panicky contractions, when the assets being traded only exist on paper (or in electronic form); but one can find similar reversals in the demand for material objects sought by collectors, as in the 1637 Dutch tulip bubble, or similar mimetic flights of enthusiasm for goods such as expensive watches, rare violins or works of contemporary art.

²⁵ See André Orléan, *The Empire of Value: A New Foundation for Economics*, Boston 2014.

In the second case, assets change hands more slowly. There are different reasons for holding on to the objects in question. It may be an investment, as the object is expected to rise in value over time; or it can be a kind of insurance policy, transforming liquid cash into something believed to be safer from wealth destruction—an attempt to reconcile unequal risks pertaining to different kinds of assets. Money earned from trading in highly volatile assets can be ‘banked’ in this fashion: put into reserve through investments that seem particularly able to resist the test of time, even if they offer only moderate revenue. This option—which follows the current trend among banks to suspend the distinction between savings and investment²⁶—is widely exploited by collectors of expensive works of art: they can simultaneously cherish their paintings for the qualities that make them precious as far as the collection form is concerned, while also treating them as a kind of reserve currency under the auspices of the asset form.

In these circumstances, when a few exceptional pieces are regularly traded within a small group of collectors, the capitalization of these assets is supported by lowering the level of uncertainty about their real monetary value. The seemingly exorbitant prices that some buyers are willing to pay in fact serve a rather mundane purpose by sustaining the value of all the assets in this category. This reduces the danger of a large-scale destruction of collective wealth, a threat which always hangs over accumulations of things, however exalted and ‘eternal’ they may be. Every participant in a sale of this kind acts as if they were approaching it from two different angles: as an individual with his or her own interests, in competition with other individuals who desire the same object; but also as someone who belongs to a collective, an elite band of wealthy collectors, who all want to maintain the value of the objects they possess. This shared interest encourages them to develop specific forms of cooperation, including competition to raise the level of bids.²⁷

Time and difference

Weber’s definition of capitalism stressed the imperative of unlimited accumulation, with capital perpetually brought back into circulation in

²⁶ See Jeanne Lazarus, *L’Epreuve de l’argent: Banques, banquiers, clients*, Paris 2012, pp. 222–5.

²⁷ Sarah Thornton, *Seven Days in the Art World*, London 2009.

order to make a profit from it, in other words an increase in capital, which is reinvested in turn.²⁸ The process is abstract, insofar as enrichment is evaluated in accounting terms: profits accumulated over a given period are calculated as the difference between two appraisals made at two different times; it is therefore impossible to achieve the kind of satiation that might be expected if wealth were instead focused on consumption needs, including expensive, high-end goods.²⁹ Marx gave striking expression to capitalism's specificity by stressing the disparity between simple exchange under a market economy, whereby the seller supplies a commodity in return for its money equivalent, so as to buy a commodity of the same value (C–M–C), and a capitalist economy in which commodities are produced with the aim of converting them back into money (M–C–M), so that the capitalist will end up with more money than at the beginning (M–C–M').³⁰ Critics of Marx, however—as also the classical political economists who were the target of his critique—primarily studied commodities as the products of factories, objects intended for immediate consumption, using industrial methods. But as we have noted, one of the striking features of modern capitalism is that large-scale factory production is being shifted to East Asia, while the former industrial powers are developing an economic model that establishes the value of objects in a different way: something that we call an 'enrichment economy'.

Some have interpreted this as a departure, not only from industrial society, but from capitalism itself. It should be said bluntly that it is nothing of the sort. This is evinced in part by the increasingly important role played by finance capital, whose circuits can be shifted to generate profits from outsourced industrial development while also stimulating a reorientation towards an enrichment economy at home. However, to grasp the changes taking place within capitalist economies, we must extend analysis of commodities beyond the world of manufacturing and get to grips with other ways of establishing the value of products that remain oriented towards exchange—as commodities are in the work of Marx—even if they are not manufactured along industrial lines.³¹ Our analysis thus far has sketched a transformation group,

²⁸ Max Weber, *Economy and Society*, New York 1968.

²⁹ See Luc Boltanski and Eve Chiapello, *The New Spirit of Capitalism*, London and New York 2007.

³⁰ Karl Marx, *Capital*, vol. 1, London 1990, pp. 247–57.

³¹ For a reshuffling of the major Marxist themes for contemporary capitalism, see Nancy Fraser, 'Behind Marx's Hidden Abode', NLR 86, March–April 2014.

taking into account different methods of establishing objects' value in terms of exchange. It has allowed us to organize a whole range of seemingly heterogeneous qualities along two axes, temporal and differential, which play a central role in these different methods, perhaps because they are inherent to the processes underlying a capitalist economy. The first concerns how time is handled in establishing the value of objects; the second relates to ways of profiting from their differences.

As we have seen, in the case of industrial economies based on the standard form, the relationship to the present is key, even if the management of companies has to take account of investments that need to be made in order to remain competitive. Although the objects produced may be offered for different prices, depending on their levels of durability, they are all doomed to eventually become waste. Obsolescence thus plays a central role in this type of economy, in which the prices of things are highest when they are new. By contrast, one of the original features of the collection form is that it allows the value of objects from the past to increase, even if they have already undergone a period of decline; while even newly created objects, such as contemporary works of art, can be treated as though they were destined to become immortal—appraised from a point projected into the future, from which they can be considered as if they already belonged to the past. Finally, the asset form looks above all to the future since it attributes a present value to things by anticipating the price they might fetch months, years or even decades from now.

The question of how differences between things are exploited under these three forms raises the issue of power: who controls the determination of these differences and the establishment of their value? In a capitalist context, this power is manifested in an operator's ability to exploit particular features he has mastered and thereby devalue those from which his competitors are counting on making a profit. For industrial economies based on the standard form, the principal agent of production—whether he owns the means of production or is dependent on shareholders—controls the relevant product characteristics and endeavours to preserve and protect them by appealing to the law. In the case of the asset form, power over relevant differences is held by people who, regardless of whether or not they are owners—ratings agencies, for example—estimate value based on narrative projections about the future, especially about future profits: when they possess significant

capital resources, these projections can become a factor in their own realization. Under the collection form, too, the valuation of objects is controlled by whoever has the power to define the differences between them, on which their appraisal depends. However, one of the important distinctions to be made between industrial and enrichment economies is that in the latter case, those who create the narratives of difference on which the value of objects is based must be seen to be independent of those who profit from such evaluations. Despite this 'disinterestedness' clause, owners still have considerable power to influence the value of objects; but this power is manifested indirectly, a measure of how much control the owners have over those who compose the narratives about objects' values and difference—and thus the ability to move prices to their own advantage. This indirect power can be crucial when pieces in one's possession are being capitalized. Value determination is thus more stable than in the case of industrial products, and even more so in comparison with financial assets. The narrative of the past on which collection-form values are based relies upon the support of major institutional bodies and usually has a national foundation; once it has been established, it tends to be much stronger than the narratives of the present or the future.

Enrichment economies are no less inegalitarian than their industrial counterparts, then, but exploitation through the work process assumes a different form. Work is no longer concentrated in factories and identified as a factor of production; instead, the workforce is widely dispersed, divided between public and private domains, between permanent employees and the informal precariat. It is also spread across a much wider range of activities, many of which are not even identified as 'work', but rather presented as an expression of 'desire' or 'passion', even by those who engage in them, often at heavy cost. This terrain, it will be conceded, is not conducive to the emergence of new social and political forces strong enough to confront unequal wealth distribution and capable of redeploying value-determination arrangements to more egalitarian ends. Nor does it suggest a landscape of social peace.

Translated by Matthew Cunningham