

PLEASURE AND PAIN: AT THE CROSSROADS OF PSYCHOANALYSIS AND THE POLITICAL ECONOMY

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Abstract *At the very moment when Freud, still a student, initiated his first works, three economists from different countries - the Englishman Stanley Jevons, the Frenchman Leon Walras and the Austrian Carl Menger - revolutionised economic thought, breaking with the 'objectivism' of the classical economists (Smith, Ricardo, Marx) and introducing 'a psychological, individual and subjective explanation' of value and exchange in which the notions of 'desirability' and satisfaction are central. The Freudian discovery is linked to neoclassical economic theory through the epistemological basis they share: utilitarianism, a moral philosophy that runs from Epicurus to Bentham through Helvétius and considers the search for pleasure and the avoidance of pain as the basis of human behaviour. This epistemological basis is visible in Freud, not least in the decisive importance he attributed to sexuality, understood as the human experience that intensifies pleasure to its maximum. This essay considers whether it is this link that gives psychoanalysis its double and conflicting vocation: on one hand, its easy fit with the motives and ends of a society ruled by economic liberalism, marked by expenditure, hedonism, consumption, monetary profits and speculations; and, on the other hand, its capacity to play the role of a critical consciousness, having recognised the limits and difficulties of the principle of pleasure (moving 'beyond' this principle) and having identified the illusions and disappointments that threaten aspirations to happiness.*

Keywords utilitarianism, Freud, neoclassical economic theory, theory of value, Walras, Jevons, Menger, consumerism

Freud's writings offer very few explicit contact points with the notions of political economy. When he speaks of spending, savings or investments, borrowing expressions that are also used by economists, the point of view might be strictly 'economic' (in terms of the quantity of energy required) but the analysis is entirely located within the domain of psychology and does not pertain to production, exchange and consumption in social life. The same is true when he speaks of satisfaction, needs and desires. It is perhaps the notions of 'labour' or 'work' as Freud conceived them that are the least estranged from political economy. I am not speaking of 'dream work' or the 'work of mourning', but of labour in the sense of a daily effort, of a day's labour-activity, necessary to one's life and to survival. Freud conceives of human society as relying on an economic motive - that is to say, the necessity of working for provisions - that entails an obligation to divert energy from

1. Sigmund Freud, *Introductory Lectures on Psychoanalysis*, James Strachey (trans and ed), New York, WW Norton, 1977, p312.

the search for sexual pleasure toward the hard constraints of labour.¹ In *Civilization and its Discontents*, Freud tackles once again the question of labour and underlines its value as remedy to most of the ills affecting the individual in contemporary society.

Nevertheless, aside from this narrow point of contact (along with a few others regarding the libidinal signification of money), the notions found in Freud that are common to his analysis and to political economy (savings, investments, spending, needs, satisfaction) are not sufficient to elaborate an economic doctrine, a theory of production, circulation and consumption of commodities, or a theory of the relationships between labour and capital in the society of his time, deeply structured by decisive advances in industrial and finance capitalism. Apparently, psychoanalysis is located on another level.

And yet, if we consider Freud's work from an historical and epistemological point of view, it is striking what it reveals. When he was at the beginning of his long career as a courageous and persistent researcher (at the end of the 1870s), political economy had just gone through a great revolution. I do not mean to assert that Freud may have been influenced directly by this revolution in economic theories. None of the references that he quotes allows us to think so. Nevertheless, I don't consider it too anecdotal to recall that Freud as a student translated into German a volume of the works of John Stuart Mill,² a major thinker of utilitarianism (in the precise philosophical sense of this word, which situates it closer to hedonism than utility in the usual sense). It was precisely utilitarianism (that of Condillac or Bentham) that was the main philosophical source of the new current of economic theories at this time. And if, beyond all the influences that can be spotted, one might speak in terms of a paradigm shift or of an epistemological rupture, it is striking that psychoanalysis, in many ways, showed a certain affinity of view with what is called the neoclassical current, a configuration of economic theories that independently, and nearly simultaneously, appeared in England, France and Austria, indicating its historical necessity at that time.

And yet economists or historians of economics compare the 'psychological, individual and subjective explanation'³ of neoclassical economists, in particular those belonging to the Austrian psychological school of Karl Menger and his colleagues - the Vienna School - which focused on the question of individual choices, to the so-called objective conception of the classical economists (Smith, Ricardo, Marx).

The fundamental notion of neoclassical economics is that of a desiring subjectivity that seeks enjoyment as the starting-point for all value: there are no things, objects, that have an objective, fixed, well-determined value and that are desirable. Rather, it is subjective desire and hence desirability that confer value on an object - a value that is in no way absolute, but that is always subjective, individual, and temporary. Neoclassical economists tend to analyse the vicissitudes of this desirability from the point of view of consumer

2. Sigmund Freud, *La naissance de la psychanalyse, Lettres à Wilhelm Fliess, Notes et Plans (1887-1902)*, Marie Bonaparte, Anna Freud and Ernst Kris (eds), Anne Berman (trans), Paris, Presses Universitaires de France, 1956, p305.

3. Henri Guitton, *Economie politique*, Vol. 1, Paris, Dalloz, 1960, p97.

enjoyment, not from the point of view of the labour of production.

We cannot help but see a relationship between the birth of psychoanalysis and the existence of the 'Vienna school of psychology' in economics in the 1870s. Nevertheless, this relationship of geographical place and historical context would be arbitrary and completely sterile, were it not possible to prove or make visible the link that ties one of the important strata of Freud's thought to utilitarianism.

What is remarkable in utilitarianism is that it carries out an extreme reduction of the fundamental motivations of the human being (reducing them to pleasure and pain) in eliminating all moral considerations that might not be founded on the quest for happiness (and, in the last resort, pleasure). In this reduction, motivations based on reason also disappear. Not only are there no *a priori* and eternal moral values that transcend the individual, and to which one must kneel down as to something sacred and superior, but affect (pleasure/pain), not reason, is at the source of every human activity. One finds in utilitarianism a contempt for religious and idealistic ethics - those ethics that contrast high and noble principles and finalities with the attitude that seeks to erect pleasure as the only desirable finality, considered as low, degrading, beastly, and instinctive.

If these postulates do not immediately imply that we may speak of the unconscious, drives and so on in the Freudian sense, this terrain nevertheless appears to be very convenient for the development of research that would lead to psychoanalysis.

It could be that a significant point of contact between psychoanalysis and political economy is detectable in utilitarianism. In an intellectual genealogy of these two disciplines, there could be an important common ancestor and thus a moral and conceptual relationship that could, up to a certain point and within certain limits, help us to bring them together and to compare them. This approach (among others concerning the structural homologies between money, language, father and phallus⁴) is how I propose to tackle the relationship between Freud and the economic: an approach that may not only cast light on the epistemological background of the birth of psychoanalysis but also, and perhaps more importantly, help us understand the simultaneously harmonious and conflictual coexistence of psychoanalysis and liberal capitalism today.

Utilitarianism is the philosophical expression of a long-term historical movement that has persisted into the present. It is the philosophical basis of economic liberalism and of the individualistic civilisation of happiness, a civilisation that refuses sacrificial ideals and the authoritarian, disciplinary, rigorist imperatives dominant in earlier societies. If the neoclassical economy appeared as a psychological current oriented toward the desire of the consumer, it is clear that the large and growing importance given to the consumer in contemporary society confirms the importance of this current, which has become dominant in contemporary economic theory. Just as the

4. See Jean-Joseph Goux, *Symbolic Economies*, Jennifer Gage (trans), Ithaca, Cornell University Press, 1990.

neoclassical revolution was the precursory indication that consumer capitalism would emerge from industrial economies of production, so, in the same way, the Freudian discovery was a precursory indication of a revolution in attitudes and lifestyles that so convincingly occurred in the middle of the last century, even if it did not call directly and politically for sexual liberation (as some have anachronistically claimed).

There is a manifest affinity between the softening of repressions, greater educative tolerance, and a more hedonistic society oriented toward personal satisfaction. The refusal to frustrate the child, a greater emphasis on the need to safeguard the budding and fragile personality, the fear of inflicting traumas that could impair development - all of these features go against the terrible authoritarian upbringing of past societies and coincide with a culture which is more respectful of others, anxious to avoid suffering, and also more oriented toward satisfaction and enjoyment, especially or including those enjoyments offered by a consumer-oriented society. Psychoanalysis is an integral part of this evolution through the influence it can exert in its popularised version, if not in the details of its theory.

From this point of view, neoclassical economics, on the one hand, and psychoanalysis, on the other, albeit a vulgarised version of psychoanalysis, would result in the same system, which gives rise to the coherent combination of a hyper-consumerist society and an education involving a low level of constraints. The utilitarian source of these two fields draws them together at the origin, on the epistemological level, and can be found in their subsequent development, in their sociological aftermath. These two tendencies could be said to converge, today, in a consumerist civilisation in which the eroticisation of commodities and the 'commodification' of eroticism accelerate and reinforce each other.⁵

In opposition to the growing repression that Freud anticipated in *Civilization and its Discontents*, we can observe another discontent, a malaise that does not come from oppression by strong prohibitions, but from one's freedom to choose by oneself. In current liberal society, malaise does not seem to come from the repression of sexual impulses (repression that was, for Freud, the main source of neurosis) but from the lack of symbolic markers and points of references, from the loss of inhibitions, from the weakening of tolerance to ordinary frustrations of life.⁶ It is here that we encounter the return, in new conditions, of the old question of the father.

In another way, we can say that the satisfaction of primary needs, the abundance of things (the surrounding, pervading, floating abundance, real for some and imaginary for others) amplifies frustrations, dissatisfactions and anxiety relating to subjective existence and the relationship to others. The result is the importance of depression as the dominant psychological problem today.

But, if one could speak of an encroachment between the theoretical framework of neoclassical economy and the budding of psychoanalysis, one

5. See Lawrence Birken, *Consuming Desire: Sexual Science and the Emergence of a Culture of Abundance, 1871-1914*, Ithaca/London, Cornell University Press, 1988, and David Bennett, 'Burglars, Burglars and Masturbators: The Sovereign Spender in the Age of Consumerism', *New Literary History*, 30, 2, 1999: 269-94.

6. See Gilles Lipovetsky, *Le bonheur paradoxal, essai sur la société d'hyperconsommation*, Paris, Gallimard, 2006.

can also see the various questions that the economy keeps open on the side of desire, and that psychoanalysis might, in principle, be prepared to tackle.

Claude Adrien Helvétius, one of the precursors of what would soon be named utilitarianism, wrote succinctly: 'pleasure and pain are and will always be the unique principle of the actions of men'.⁷ He also asserted that 'the driving forces of mankind are pleasure and physical pain'.⁸ This is the postulate, of striking clarity and simplicity, from which would be built the philosophical, moral and scientific edifice of utilitarianism, a misleading name, as repeated so often, since it does not refer to utility in the ordinary meaning of a practical thing (usefulness, functionality), but to a philosophy that starts from the two most fundamental affects of human beings, and without any doubt of all living beings, pleasure (that which is sought) and pain (that which is avoided). This principle is expressed and methodically expounded by Jeremy Bentham, who was an early reader of Helvétius: 'Nature has placed mankind under the governance of two sovereign masters, pain and pleasure' is the first sentence of his vast treatise *The Principles of Morals and Legislation*. It is also from this principle of utility, as we know, that John Stuart Mill derives his ethics.

7. Claude-Adrien Helvétius, *De l'homme*, Vol. 2, Liège, Bassompierre, 1774, p173.

8. *Ibid.*, p172,

It is astonishing that we had to wait for the era of Enlightenment in order for this principle (already suggested by Epicurus) to be so clearly enunciated, with the simplicity of an axiom, and to be taken seriously, in philosophy, as the only possible basis of morality. A great ethical revolution must have occurred. The grand religious or philosophical ideals, the hierarchies of the mode of life (in Aristotle) or, in an even more radical way, faith in the hereafter to be earned and conquered by asceticism and sacrifice, must have weakened and dissolved, in order for the naked truth to appear - a terrestrial and raw truth that mankind shares with animals. And the raw truth that some philosophers proclaimed was this: seeking pleasure and escaping pain are the deepest and most fundamental motives from which all the actions of mankind derive, directly or indirectly - or would if all the illusions, all of the beliefs in mystifying ideals, were to vanish.

This is truly a reversal of perspective and it is perhaps the seminal announcement of all the materialist reversals that followed. Hegel made no mistake. When he analysed the grand moment of Enlightenment in *The Phenomenology of Mind*, he considered the philosophies of utilities as the truth of the Enlightenment. With these philosophies, the ideal world vanishes, or rather it is reconciled with the real world and Hegel may claim that, with the notion of utility, 'heaven is transplanted to the earth below'.

Let us now address Freud more directly. It is easy to find this utilitarian basis in his works, whatever the specific sources of that influence. What Freud says in regard to our mental activity responds to this postulate. A work as early as his *The Sketch of a Psychology* of 1895, with its prevalent neurological features, is organised around the notion of satisfaction and pain.⁹ Much later, in his *Introduction to Psychoanalysis*, when asking if a main purpose can be detected

9. Freud, *La naissance de la psychanalyse*, op. cit., pp326-36.

10. Freud, *Introductory Lectures*, op cit., p356.

in the operation of our mental apparatus, Freud replies: 'Our total mental activity is directed towards achieving pleasure and avoiding unpleasure'.¹⁰ In what comes to be named the pleasure principle, one finds the postulate of utilitarianism. Freud, as we know, adds to the fundamental pleasure principle a complementary principle, the reality principle, which leads us to defer immediate satisfaction, to renounce some sources of pleasure. But he hastens to add that this reality principle also has pleasure as the ultimate goal, even if this pleasure is diverted and deferred in accordance with the harsh requirement of reality. The reality principle is not the true opposite of the principle of the quest for pleasure.

Religious credos are explicitly put aside when Freud adopts this utilitarian point of view. In *Civilization and its Discontents*, he raises the ultimate question of the goal of life. Only religions, says Freud, are able to answer - or think they are able to answer - this question. On the other hand, if religion is put aside, it is possible to identify the vital objectives that appear in the affective behaviour of mankind. One can see that human beings strive for happiness, or more evidently that most of their actions have the purpose of avoiding pain and searching for strong pleasure. In adopting this point of view, Freud frees himself from all references to regulating ideals, to more or less transcendent moral *a priori*s that would organise human conduct. His methodological atheism resides in this point of departure. He places himself below all pre-established morality, in the area of the most fundamental vital orientations that humanity shares with animals and that are anterior to all ethical consciousness and even to will as such. There is an individual choice, both immediate and absolute, that leads us to enjoyment.

With this notion, Freud reaches toward a conception of the subject, the subject of action, which is not Cartesian (because the consciousness of oneself does not come first). He says elsewhere that the sensations of pleasure and un-pleasure, which exert on us an imperative force, occur in 'the most obscure and unattainable region of psychic life',¹¹ which might nicely indicate how utilitarian conceptions could lead him to the path of a psychic unconscious.

We could easily compare this type of assertion to those of Helvétius when he speaks about a 'strong and general impulse, driving force of all men'.¹² Helvétius also says that there are impulses and driving forces, which always exercise their effects, even if one does not realise it.

Indeed, one cannot expect Freud to refer explicitly to utilitarianism as one of his main sources of inspiration. Always concerned to rule out dependence on any philosophy in order, exclusively and obstinately, to claim that he was following the observation of facts, he puts aside all questions of influence with a certain disdain: 'it does not matter much to know if, in establishing the pleasure principle, we are getting closer to such and such well-defined philosophical system, consecrated by History'.¹³ The creator of psychoanalysis, renewing his declaration of faith in a scientific and empirical method, never

11. Sigmund Freud, *Beyond the Pleasure Principle*, James Strachey (trans. and ed.), New York, W.W. Norton, 1990.

12. Helvétius op. cit., Vol. 1, p218.

13. Freud, *Beyond the Pleasure Principle*, op. cit.

ceases to repeat that it is the daily observation of facts that leads him to this hypothesis.

What we might call Freud's utilitarian postulate immediately explains another central aspect of his theory, which for so long aroused the strongest objections, and which for so long appeared as the most innovative feature of his doctrine: the importance, considered outrageous, granted to sexuality.

It is nevertheless astonishing that his conception, which comes from pleasure and pain as the two sovereign masters of human activities, concludes by granting sexuality a predominant place. If pleasure is the ultimate finality of human action and if, as Freud maintains, 'the accomplishment of the sexual act brings the most intense pleasure which is accessible to human beings',¹⁴ the result is that the quest for sexual pleasure will be the strongest tendency of mental life, the most insistent, known or unknown, recognised or ignored, disguised or evident, conscious or unconscious. The place that Freud grants to sexuality would thus be one of the direct consequences of the initial postulate that he shares with the utilitarian current.

It does not seem that all utilitarians have reached such a conclusion. Rather, they consider sexual pleasure as one of the possible pleasures, but without giving it the predominant place that Freud assigns to it. Thus Bentham loses himself in the methodical classification of pleasures, and his very acute reflections on sexuality are left in the margins, unfortunately long unpublished and neglected. John Stuart Mill, by dint of wanting to save utilitarianism from its malevolent interpretations, ends up by making it indistinguishable from the search for an honest happiness satisfying the most elevated ideals.

Nevertheless, one can find in Helvétius an inspiration that seems to foreshadow Freud quite directly, perhaps because of his proximity to a French current of libertinage that faded with the subsequent bourgeois utilitarianism. If utilitarianism, boldly understood, is one of the many components of the Freudian conception, it is probably Helvétius (so seldom mentioned) who is closest to anticipating what would become the Freudian discovery. The central place of sexual desire, its founding position in the hierarchy of passions, is expressed in Helvétius's work in a raw, insistent manner. The precursor of utilitarianism, Helvétius remains very radical. What is at stake for him is to denounce and subvert the established morality of religious descent by discovering what it is hiding.

According to Helvétius, the end of actions is pleasure, and the truly final pleasure is physical pleasure or, more specifically, sexual pleasure. Hence, Helvétius asserts a reversal of the hierarchy of moral value, discovering the quest for physical and thus ultimately sexual pleasure in actions, motives and interests that are concealed beneath other social appearances. In Helvétius's thought one can find the central idea that the dominant morality conceals the reality of sexual desire, which is the true underpinning of all social passions. There is a concealment - *déguisement* is the word he uses - and, in this way, Helvétius might be considered the ancestor of 'the thinkers of suspicion',

14. Freud, *Introductory Lectures on Psychoanalysis*, op. cit., p356.

including Freud. Helvétius writes: 'Every time one would like to make the effort to decompose the vague feeling of the love of happiness, we shall always find physical pleasure at the base of the crucible'.¹⁵

15. Claude-Adrien Helvétius, *De l'esprit*. Vol. 2, Liège, Bassompierre, 1774, p439, note b.

It is significant that Helvétius takes miserliness - that is, the acquisitive and alienated relationship with money - as his fundamental example. What the miser loves in money is not money itself, but its capacity to obtain pleasures or the avoidance of pain. And what is true of miserliness is also true of other passions. If we frantically seek power, honour, fame, esteem, it is not for the sake of the things themselves but, as in the case of the miser, as the means to obtain other things. Honour is no less a means of payment than money. It is a kind of money. Helvétius speaks of 'the money of honour', and the illusions and the factitious passion of the miser become the very example of all the factitious passions - factitious, according to Helvétius, inasmuch as 'there are only true pleasures and true pains if they are physical pleasures and pains'.¹⁶

16. *Ibid.*, Vol. 1, p472.

Therefore, there is always an exchange or a substitution on the horizon, as a possibility or a virtual expectation. If the miser's money has a meaning only insofar as it can possibly be exchanged for other things, then, in the same way, honours, fame, power are meaningful because, as kinds of money, they are expectations to be exchanged for something else. This something else is found in pleasure and, as a last resort, in physical pleasure. And with an ineluctable necessity, the ultimate goal of this exchange is to obtain what Helvétius calls, not sexual pleasure but the 'pleasure of love'. 'Physical pleasure, the most vivacious and powerful' (at least in civilised societies where hunger has lost its urgency) is the pleasure of making love, 'le plaisir de l'amour', as Helvétius so diplomatically puts it.¹⁷ He also uses the expression 'the pleasure of women', since, as he says with a certain tact, or a certain openness of mind, 'among these pleasures, I have undoubtedly the right to choose that of women, as the most vivacious and the most powerful of all'.¹⁸

17. Helvétius, *De l'homme*. Vol. 1, p445.

18. *Ibid.*, Vol. 1, p445, note c.

This is how the Freudian motive of sexual pleasure appeared in Helvétius, enunciated here by a male author in very eighteenth-century French language as the 'pleasure of women'. Going further, Helvétius acknowledges a fundamental libidinal drive in human beings. He writes: 'Among all pleasures, the one which without any doubt, has the strongest action upon us and communicates to our soul the most energy, is the pleasure of women. By linking the greatest intoxication to their enjoyment, nature wanted to make of it one of the most powerful principles of activity'.¹⁹ Elsewhere, he emphasises that 'No passion works such a huge metamorphosis in man. Its empire spreads from man to beast',²⁰ and 'to the extent that his desires diminish, man loses his activity, and death takes hold of him'.²¹

19. Helvétius, *De l'homme*, Vol. 1, p174.

20. *Ibid.*, p175.

21. *Ibid.*, p176.

This brief excursion into the sources of the utilitarian current is important, I would argue, to demonstrate the deep affinities between this philosophy and psychoanalysis. From this point of view, when Jacques Lacan compares Aristotle's ethics and the ethics that underlie psychoanalysis, he is fully entitled

to state that between Aristotle and Freud there is an event, a moral rupture that has occurred. This rupture, this reversal, is utilitarianism.²² Yet, Lacan only refers to Bentham (and especially Bentham's theory of languages and his theory of fictitious entities, a theory Lacan greatly admired) and not to Helvétius, whom, to my knowledge, he never mentions.

22. Jacques Lacan, *Le Séminaire, Livre XX, Encore*, Paris, Seuil, 1975, p55.

The revolution in economic theory that occurred when Freud was still a student, then, was another domain in which the influence of utilitarianism was very strong, in a more precocious and explicit, albeit different, manner. Two opposed approaches to the question of value had been in contention since the birth of political economy. To simplify, one approach opted for labour-value and the other for desire-value. In the first case, the effort or suffering - in a word, the labour - necessary to produce a good is supposed to be the main source of its value. In the other, the enjoyment to be had in the consumption of this good is considered as the defining cause of its value. Thus one might say that the point of view of the producer (worker or entrepreneur) is predominant in the first option, and the point of view of the consumer in the second.

It is very significant that Adam Smith's famous synthesis, *The Wealth of Nations*, which defends the first point of view on value, was published in 1776, the same year as Etienne de Condillac's *Le commerce et le gouvernement*, which defends the second point of view under the banner of utility (which may lead to misunderstanding). Smith's work would find its theoretical posterity in works by Ricardo and then Marx, while Condillac would be the major reference of Léon Walras, one of the three founders of what became known as the neoclassical or marginalist current in economics, which largely dominates economic science today. In line with this difference of approach, we often contrast an objective conception of the value of goods (as determined by the observable fact of labour necessary to the goods' production) with a subjective conception of value. In the latter case, it is only the mental disposition of consumers, depending on their state of mind, interests, needs, most individual or intimate desires, and transitory pleasures, that defines the value attributed to one or another good and hence the price one is willing to pay to obtain it.

What defines the momentary value of a commodity is broadly determined by the intensity of the consumer's demand, the intensity of his or her desire to appropriate a given commodity. The intensity is 'subjective' because it is variable according to each potential consumer, but also for the same consumer, according to the moment of consumption, and in accordance with his or her initial avidity and final satisfaction. Decrease of desire must be taken into consideration. This is illustrated in marginalist theory by the famous example of glasses of water, successively consumed, where the intensity of thirst decreases for each glass of water consumed, until the moment where the glass of water is no longer desired and loses all value. Jevons, Menger, and Walras demonstrated, at approximately the same time and independently of one another, that the value of the last unit consumed determines the effective value of all others on

the market. This calculation at the margin, just before the exhausting of desire, inaugurates marginalist economics, in which the desiring subjectivity of the consumer - rather than the labour-time of the worker - is finally the parameter of the value of goods. One can say that with neoclassical economics we enter an era in which consumption and the consumer's point of view become more and more predominant. These economic theories are intellectual expressions of the beginning of so-called consumer society,²³ whose clear manifestations at this time included 'grands magasins' (department stores), advertising, and *expositions universelles* (world fairs).²⁴

23. See Jean-Joseph Goux, *Frivolité de la valeur: essai sur l'imaginaire du capitalisme*, Paris, Blusson. 2000.

24. Henri Baudrillard, *Histoire du luxe privé et public depuis l'Antiquité jusqu'à nos jours*, Vol. 4, Paris, Hachette, 1880, p591.

References to the principles of utilitarianism by economists of the marginalist or neoclassical revolution are clear and explicit, even if they differ according to the authors. The French economist Walras refers mostly to Condillac, while in Stanley Jevons's work, references to Bentham predominate. Jevons expounds on his point of departure without ambiguity:

A true theory of economy can only be attained by going back to the great sources of human action - the feelings of pleasure and pain. A large part of such feelings arises periodically from the ordinary wants and desires of the body and mind, and from the painful exertion we are continually prompted to undergo so that we may satisfy our wants. Economics investigates the relations of ordinary pleasures and pains thus arising, and it has a quite wide field of inquiry.²⁵

25. William Stanley Jevons, *The Theory of Political Economy*, 4th edn, London, McMillan, 1911, p37.

Further on, Jevons is even more explicit: 'to procure the greatest amount of what is desirable at the expense of the least that is undesirable - in other words to maximise pleasure, this is the problem of economics'.²⁶

26. Ibid.

So defined, the field of economy is very wide indeed. Jevons does not hesitate to say elsewhere that economic science seeks to better understand 'the laws of human enjoyment': 'It is surely obvious that Economics rests upon the laws of human enjoyment; and that, if those laws are developed by no other science, they must be developed by economists'.²⁷ One can perceive here the extent of the new economic science's ambition and the intersection or overlap that it may have, at least in principle, with what would become psychoanalysis. Even if his terrain of investigation and action is quite different, did not Freud also seek 'the laws of human enjoyment', starting from the same fundamental principles of the quest for pleasure and the avoidance of pain?

27. Ibid., p39.

In taking as a starting-point human need and desire, or even the desiring subjectivity with its individual and temporal variations, economics seems to become a psychological science. This did not escape the attention of contemporaries, who saw in neoclassical economics the transition from an objective conception of value (in reference to Smith, Ricardo and Marx) to a subjective, psychological conception. The neoclassicals adopted a subjective, individual and psychological explanation because, for them, value in economy is not value in general, founded on a general or universal need, but value for

an individual at a precise instant. With this revolution, the value of exchanged goods loses all possible reference to a universal measure. For Adam Smith, labour was the universal measure, the standard that always and everywhere determines the value of goods,²⁸ and by this universalist postulate Smith still related himself to the rationalist Enlightenment. Now, however, we have entered a world (which is undoubtedly that of philosophical postmodernity) which recognises only a subjective, changing, momentary value, linked to the notions of desire and satisfaction.

Significantly, this complete reversal concerning value comes to favour the stock-exchange model of momentary fixing of values. The stock exchange is the market par excellence. What counts is the price, fluctuating according to supply and demand at various moments, in a market of pure competition, and not the postulate of a hypothetical value objectively attributed to goods. No regulating law stands over exchanges. The determination of prices is the result of a momentary or transitory equilibrium that maximises the satisfaction of traders at every instant.

Among neoclassical economists, the stock-exchange model of valuation becomes central, dethroning the paradigm of value determination and its references to both material production at the factory and the duration of a worker's labour necessary to the production of goods. There is no need to stress the political advantages that these new theories help provide for capitalism, since they eradicate the notion of surplus value even as they rigorously express a true change in the economic functioning of nineteenth-century society.²⁹

The link between economy and psychology is obvious in the case of the stock market. No other descriptions of economic life distinguish themselves so much by the great importance they grant to psychological and even psychopathological terms: euphoria, fever, gloom, depression, anxiety, panic, madness. Extreme, irrational, and pathological emotions are collectively expressed within the language of the stock market.

It is not simply a question of money and its classical pathology (the accumulation of the miser or the expenditure of the spendthrift), but the power of a mechanism of instantaneous determination of price (price of shares in this case) drawing a broken curve (mathematically without derivative, or 'fractal') based on supply and demand with unpredictable variations. This is the domain of nervousness, fever and burnout, and again we enter the register of nervous illness. Very often traders are represented on the borderline of nervous breakdown, of psychological collapse, always trying to draw together a thousand or more indicators of an ever-changing global conjuncture by means of a quick and irrevocable decision with enormous consequences. This slightly dramatic and exotic view must be corrected by a more sober description of 'financial labour', but traders are nevertheless engaged in a vision of the world marked by distortion, since in spite of the considerable role of chance, traders have a tendency to attribute their gains to their own

28. Adam Smith, *An Inquiry into the Nature and Causes of the Wealth of Nations*, New York, The Modern Library, 1937, p33.

29. Goux, *Symbolic economies*, op. cit.; *Frivolité de la valeur*, op. cit; 'Marx et Walras, un déplacement éthique' in *L'Argent: croyance, mesure, spéculations*, Paris: La Découverte. 2004.

30. Olivier Godechot, *Les traders, essai de sociologie des marchés financiers*, Paris, La Découverte, 2001, chap. 1.

31. *Ibid.*, chap. 3.

32. Jean-Joseph Goux, 'Values and Speculations: The Stock Exchange Paradigm', *Cultural Values*, Vol. 1, No. 2, 1997: 159-177, and *Frivolité de la valeur*, op. cit.

33. Goux, *Frivolité de la valeur*, op. cit., and 'Valeurs sûres et valeurs risquées', in *Revue des sciences humaines*, No. 283, 2006 : 81-99.

34. John Maynard Keynes, *The General Theory of Employment, Interest, and Money*, San Diego, Harcourt, 1991, Book IV, chap. 12, pt VI.

35. Léon Walras, *Eléments d'économie politique pure, ou théorie de la richesse sociale*, Lausanne, Bâle, 1874, p32.

'strength' and their losses to the collective 'madness' of other traders.³⁰ For the general public, this is not work but a very unamusing game that is also a frightening gamble. It is true that the economy is no longer a place of simple calculating rationality but rather one of complete irrationality, of vagary and hazard, even if sophisticated mathematical models based on 'stochastic calculus' are used to predict the fluctuations of the market, especially the market in 'options'. Given the multiplicity of strategies employed to try to foresee the fluctuations of the market, one might speak of a 'bazaar of rationality'.³¹ Or, more generally, one might underline how the traditional philosophical oppositions between rationality and irrationality, necessity and hazard, materiality and immateriality, reality and virtuality, play and seriousness (not to mention legality and illegality), are subverted, as if the stock market induced a practical deconstruction of traditional or metaphysical oppositions.³² Moreover, the stock-exchange paradigm seems to have affected all domains of value (including aesthetics and ethics).³³

We find ourselves confronted, then, with a casino-type economy, as Keynes termed it. He distinguished between enterprise and speculation, stressing that speculation does not imply knowledge of the factors that will govern the yield of an investment in an enterprise, but only a forecasting of 'the psychology of the market'.³⁴

This astonishing psychologisation of the economy might confirm what appeared to be an encroachment of the economy into psychoanalysis through the common ground of utilitarianism. And yet, if we address the question from a cultural point of view rather than an epistemological one, this encroachment becomes more evident today than it could have been at the time of Freud, with the coexistence of hyper-consumer society and the popular extension of psychoanalysis.

But, if I may speak of an encroachment between the theoretical framework of neoclassical economics and a budding psychoanalysis, one can see also the various questions that economics raises concerning desire, questions that psychoanalysis would, in principle, be positioned to tackle.

Walras and the economists of marginal utility have a rather elementary conception of desire, which is grounded on the principle of simple satiety: need diminishes as consumption increases; the more one eats, the less one is hungry; the more one drinks, the less one is thirsty. It is on this simple model of decreasing desire (a kind of ultimate contraction) that the curve of value is grounded: 'the more one has of hats or shoes, the less one needs a new hat or new shoes'.³⁵ Clearly he did not grasp the real nature of desire; he did not see *Sex in the City* and he even did not read Zola's *Au bonheur des dames*. After giving another example, 'the more one has horses in one's stable, the less one seeks to acquire another horse', Walras rather naively points to 'regrettable exceptions' such as 'allurement, which theory has the right to ignore'; he seems to realise that not all desires conform to this decreasing curve that leads to satisfied need.

Jevons, following others, recognises that the point of satiety becomes more difficult to determine when the need becomes more and more refined, but the heart of marginalist economics rests on the principle that the limits of the economy are based on acquisitions of cashable objects or services. Economists might have more difficulty than psychoanalysts in breaking the link with their utilitarian background. How are we to integrate the notions of the gift, altruism, compassion, care, or solidarity in a new political economy? How are we to think economy again beyond the narrowness of 'homo economicus'?

If there is a utilitarian component in Freudian theory (which coexists and combines itself with many other influences), there also appears a notable divergence from economic utilitarianism, as if psychoanalysis is contesting and contradicting this initial grounding.

These limits of Freud's utilitarianism clearly appear in two or three orientations. First, the more and more enigmatic encounter with a 'beyond the pleasure principle', which refers to a principle of inertia, stabilisation, or neutralisation of tensions, breaks the naive optimism of the hedonist postulate. Secondly, there is also the presence or expectation of the other, which exceeds all satisfactions that could be obtained by the production and appropriation of cashable goods. In these two directions psychoanalysis encounters an abyss opening on to a metaphysical unknown that utilitarianism, in its simplicity and down-to-earth orientation, wished to eliminate. What are these if not the eternal and creed-less problems or impasses of death and otherness, which Freud evokes again and again while remaining within his own terrain of scientific observation?

Obviously, we cannot locate in utilitarian thinkers this 'beyond the pleasure principle', which Freud continually mentioned after the beginning of his neurological works under the influence of Fechner, even though it later resolves itself into a true death instinct or, rather, Nirvana principle. Helvétius, again, explicitly places pleasure in vivacity, constant excitement and the enthusiasm of passions, to the point of finding more enjoyment in anticipation and the effort of acquisition than in the final possession of the objects of our desires. He would not subscribe to the Freudian postulate that finds pain in the exasperation of excitation and locates pleasure in the extinction or complete cancellation of such excitations. Nevertheless, all seems to point to a visible demonstration of the limits of the pleasure principle, limits that Freud located in a psychological framework on the macro-scale in terms of the pitfalls overwhelming a civilisation based upon the consumerist project of universal libidinal satisfaction - a project that cannot fulfil its largely fantastical implicit goals.

But it is without doubt in the relationships with the other(s) that the greatest difference resides between utilitarianism and Freud. At several points, Freud underlines how much the weakness and impotence of the human newborn entails that, from his birth, his survival is dependent on external help.³⁶ On this original distress is founded a relationship of mutual understanding with

36. Freud, *La naissance de la psychanalyse*, op. cit., p336 and 'Instincts and their vicissitudes' in James Strachey (trans and ed), *The Standard Edition*, Vol. 14, New York, Norton & Co., 1975.

the other, and it is in this relationship that one might glimpse the origin of ethics and religion. It is obvious that this original situation does not enter into economic calculus proper, since the relationship to the other, this mutual understanding, is reducible neither to the appropriation of an object nor to the cashable obtaining of a service. There is an original gift, a gracious donation, which is supposed to be the response *to* the other and *of* the other. Perhaps this original situation is the unconscious yet strong basis that made an ethics not grounded on personal interest thinkable. Thus it would be that psychoanalysis would confront us - or should confront us - with an ethics 'beyond utilitarianism'.

Translated from the French by Anthony Larson

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