

Capital accumulation versus innovation - lessons from simulation metaphors

A talk at ECOST-MEETING-IS0902-100212-013355

(Version 22-02-2012)

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Abstract

As an unexpected consequence of the global economic crisis the European unification process has been pushed towards a set of immediately necessary decisions, which could either lead to a rather quick end of the whole project, or to a somewhat slower – but nevertheless path breaking – emergence of the contours of a political European entity. If the most basic reason for the global crisis is indeed the stagnation of capital accumulation – the handful of large funds governing global accumulation cannot find sufficiently promising investment opportunities in the real economy, and thus repeatedly feeds bubble dynamics in a world of electronic signal systems at stock exchanges – then global social innovation is on the agenda. This necessary revolution in global social relations appears as threatening the stability of the accumulation process, which indeed has already lost all stability due to its own past success.

Several metaphors have been proposed to identify a global agent of change driving this fundamental social innovation: the global proletariat, the new mass avant-gardes, a managerial class, Japan, China, an intellectual elite, etc. Another strand of reasoning in political economy is setting out to explore how social value incorporated and amassed in electronic funds can evaporate into a new global regime without the interference of a tabula rasa, of a 3rd world war. The mild versions of these attempts propose strict regulatory frameworks for global finance, or related measures to lead to a so-called 'soft landing'. Protagonists of a continuation of old-style capitalism even think that this landing can take place in an environment resembling the 1950-ties – though the probability for such a scenario becomes less plausible every week. Stability by piecemeal innovation is getting less and less feasible and is substituted more and more by the idea of a profound push of global innovation necessary to achieve at least a minimum of reproductive stability in the real ('physical quantity'-oriented) economy. **Stability and innovation**, though intimately related to each other, evidently is a pair of countervailing forces needed to understand what currently is going on.

From the point of view of money forms they also are the background of two opposing money functions: The stability function brings about stability of commodity producing societies by making acts of commodity exchange independent of time and place of encounters of commodity owners (medium of exchange function); whereas the innovation function is the core of a special type of commodity producing societies, of capitalism, continuously changing the capitalist *process* rather than the exchange process of already existing commodities. The historic mission of capitalism, namely increasing labor productivity and thereby not only reducing the time necessary for primary reproduction but also exploring new utility dimensions, this historical mission seems to be exhausted

– though only in OECD countries with a potential of effective demand. The desperate attempt to get the accumulation process afloat by stimulating capitalist process behavior at the level of human individuals runs into the impasse of further alienation and disoriented fetishism. Even for human individuals social innovation and social stability can only become intelligible if discussed from a global social perspective.

But any discussion is based on the language it uses. Since Isaac Newton theories in the natural sciences are based on the development of the analytical apparatus of mathematics – and vice versa. Since John von Neumann the lingua franca of political economy started to be the formalization of strategic interaction via simulation (von Neumann had started up both: game theory and computer science). What can be learned by simulating innovation and stability as strategic interaction - interaction of social agents with rationally incomplete internal models? Answers can be expected to as various and as complicated as the wide field, which the grammar and the semantics of the new language open, is promising. The talk (and the research paper which will follow) reports on intermediate results of some work in progress in this area.