The Contemporary Contemporary
Rebecca Carson
June 14 2017

Money: A Latent Form of Contemporaneity

Capitalist social relations create the conditions for connections between diverse forms of social life and communities that exist separately within their own temporal horizon. This co-presence of difference reflects the very temporal structure defining the concept of contemporaneity, understood in a world historical sense, by Geoff Cox and Jacob Lund as

> a present constituted by the bringing together of a multitude of different temporalities on different scales, including different grand narratives and imagined communities of nation-states and cultural clusters developed during modernity."[i]

What Cox and Lund describe is a development resting within the globalisation of capitalist social relations where economic co-dependencies (and thus co-presences) are formed. Thus, the emergence of contemporaneity as a concept defining the temporality of our global present cannot be unpaired from the temporality of capitalist social relations that have acted as a structuring principle behind our relationship to time and history. With this in mind, this paper develops the way in which the money-form contains a latent temporal structure of contemporaneity. This occurs because money, as a medium of circulation, connects and makes co-present the different temporalities internal to capitalist social form. This proposition has meaningful implications for the the concept of contemporaneity as it illustrates the structural causality behind the coming together of different temporalities, understood as 'the contemporary condition."[ii]

Money, as a medium of circulation, acts as a form that brings the differential temporalities of diverse capitalist social forms into relationship with one another and in doing so provides unity to an otherwise temporally differentiated whole.[iii] This process can be understood by looking to the dynamic of the value-form in Marx's three volumes of *Capital.* Within Marx's analysis, money is the form that gives synchronicity to the different temporalities of other forms within the process of capital accumulation by accommodating the passage of value between labour, commodity and capital. The circulation of value, byway of the money form, structures the movement of the independent temporality of capital qua capital, a process that puts the disjunctive temporalities of social practices into relationship with each other. In order to fulfil this role, money acts as both a measure of value and a medium of circulation: two sides that make up the prerequisites for money to function as a general equivalent for other forms. It is its formal structure as a general equivalent that enables money to put into relation different times that would otherwise not be in contact with each other. Thus, within capitalist social relations, money facilitates the temporal structure of contemporaneity. In order to develop this point, I will first develop the role money plays as a bearer of the value form facilitating circulation and thus capitalist production. This will be followed by an analysis of the temporality internal to circulation that, through imposing a function of causality and determinacy (the temporality of capital qua capital), puts complex social relations that might be indeterminate, contingent and ambiguous into relation with one another. In doing so, the temporal formation of contemporaneity is reflected in the temporal structure of circulation. A structural homology that will lead me to suggest that this analysis is a particularly useful approach to understanding the way in which capitalist societies are reproduced in the context of an increased level of 'fictitious capital'[iv] that puts future time to use in the present.

To briefly introduce the theoretical field, Marx's theory of valorisation is a process resting on the movement of value throughout different forms including labour, commodity and capital. This process is based on the ontological presupposition that there is no value without the expenditure of human effort through labour. In Marx, value is first extracted from labour through its abstract representation as labour-time, which is an abstraction based on a measurement of the time one spends working that is used to represent value as an abstract form. This process of abstraction reflects what Marx refers to as the double nature of labour. Labour is at once abstract (represented by value) and concrete (practiced by an agent). The accumulation of value that forms the substance of capital accumulation, is actualised by the extraction of 'surplus value', which is the creation of more value based on the portion of the working day that although seems to be paid due to wage representation, is in fact unpaid labour time. This extraction is based on a relationship of exploitation of the labourer, since the labour produces more value than what is paid for in wages. Money enters this dynamic as the representation of abstract labour time in the form of a wage, facilitating the circulation of value extracted from labour to the capitalist mode of production as a whole. To serve this function of circulating value, money must be both a measure of value and a medium of circulation and with these two attributes is then able to act as a general equivalent and therefore becomes exchangeable with all other commodity forms. This generality renders money independent from capital as the money-form disappears and turns into money-capital at the moment of capital valorisation, that is, when value becomes capital accumulated through the circulation process. In this way the money-form maintains a distinct temporal structure from that of capital. It is the temporality of money, as anachronistic to other forms within the process of circulation (which the money-form passes through), that reflects the framework of the kind of temporality that structures contemporaneity. A temporal disjuntion in line with Nietzsche's claim in *Untimely Mediations,* that the contemporary is the state of an anarchism in the present.

As a medium of circulation, money provides the role of the "means for realizing *social relations* [by acting as] a means to set into motion the productive process."[v] By financing production, money connects the different moments and actors within the production process. For example, as noted by Graziani, since wages are paid with money, it is necessary for money to initiate production. This process concludes itself through the sale of commodities that then retroactively fund the financing of the wages only after the money that financed production has changed forms. Hence, within the production process, money must consistently be converted into other value forms through circulation, ultimately functioning as the connecting agent behind social relations as well as different forms of production that exist contemporaneously.

All new capital first appears as a product of commodity circulation in the form of money. Therefore, money is "the first form of appearance of capital."[vi] Money-commodity then becomes capital only in its final valorised form, when it represents the original sum of money plus surplus value. While the genesis of money-commodity is based on the commodity-metal (gold) transforming into money-commodity. In this way, gold "is able to play the role of money in relation to other commodities because it has already played the role of commodity in relation to them."[vii] This is why Marx claims that "the simple commodity form is therefore the germ of the money-form."[viii] Hence money in capitalist relations has its history in the commodity. Following this movement of commodity-metal to commodity-money, money will no longer depend on the kind of money (i.e. metallic or paper) but rather on its ability to reflect the formal expression of an economic basis that is historically dependant on having been a commodity. Money having been a commodity, and subsequently retaining its commodity form, is a formal necessity for moneys ability to be put into relationship with other commodities as a universal equivalent. Further, the circulation of commodities and money are internal to commodity production, as commodity production is constituted by a generalised social relationship of exchange between two private agents. This exchange is 'general' in the sense that the price involved in the exchange is based on socially-necessary labour time imposed on the world market, which according to Tomba, synchronises the different forms of production because it imposes its own temporality.[ix] This production is presupposed by this a priori private exchange of money, as the Faustian phrase goes, "in the beginning was the deed."[x] Money essentially finances capital production in an initial act of circulation that is constituted by an exchange. This initial exchange uses money as "the expression of a general relationship of exchange between private economic agents." In this way, money represents an expression that describes a monetary relationship common to commodity production wherein money "forms the starting point and the conclusion of every valorisation process."[xi] Hence it is only in the shape of money that value takes on an independent form able to express the generality needed to back up its ability to function as a general equivalent. What we can gain from these insights is that, as a general equivalent, money must be a commodity excluded from all other commodities and therefore "has a socially validated monopoly of equivalence, and this is what characterizes its social function as money; moreover, it preserves and reproduces itself incessantly in its distinct form."[xii] The universalised independent function of money is what gives it its ability to put other social forms into relation with one another and therefore gives money a distinct temporality of its own.

It is the movement towards valorisation in the process of circulation that converts money into capital. And thus, "the distinction between money as money and money as capital is nothing more than a difference in their form of circulation."[xiii] An example of this is the difference between selling in order to buy and buying in order to sell. In the case of selling in order to buy the end goal is consumption, while in the case of buying in order to sell, the end goal is the accumulation of money as capital. These two sides contain distinct temporal functions that therefore result in different outcomes. As the general form in which value is expressed, money is not always capital even though it can function as capital. In contrast, commodity is value in its disguised form because it is not the object that constitutes value but value that constitutes the object. Therefore, the material or use-value component of the commodity functions as a disguise for value. As the product of labour, commodity is the form that congeals the surplus value extracted from the effort of the labourers. In this way commodity is a substance made of the objectification of human effort, while capital in contrast is made up of realised value: money plus surplus value added at the end of the valorisation process at the point of sale. Here, value as a product of human labour, moves from one form to the other, becoming an independent agent, or what Marx terms the 'automatic subject.' This automatic subject (value) provides the substance behind the various forms of appearance (capital, money, commodity). The temporality of the movement of value between forms is that of circulation, or 'capital qua capital', within which money plays the central role as the form that connects the various social practices that sustain the different formal appearances within the process.

As we have seen, value is, to quote Marx, "constantly changing from one form into the other, without becoming lost in this movement; it thus becomes transformed into an automatic subject."[xiv] While money is the independent form of value, value itself is an independent agent that moves between the money form, the commodity form and capital; valorising itself independently through its absorption of surplus value extracted from labour. Thus, value is the dominant subject of the process that both 'assumes' and 'losses' the money form and the commodity form, while nonetheless preserving itself as it moves between forms. The monetary form vanishes in the final result of the movement (valorisation) and reappears as capital and hence money's independence from capital. Money and commodity thus, to quote Marx, "function only as different modes of existence of value itself, the money as it's general mode of existence, the commodity as its particular or so to speak, disguised mode"[xv] Money advanced in circulation becomes capital when used to buy and realise the product of labour-power. This is achieved by adding surplus value to the given value within the advanced money and thereby producing capital by subsuming the previous difference under the capital form. Money remains independent by virtue of the difference between money qua money and money that acts as capital.

Furthermore, circulation has another side: that of 'hoarding,' which could also be understood as 'negative circulation,' where money is left standing still. Hoarding is important for the preservation of money as a form of 'general equivalent' by formally accounting for any such case where there is a demand for money in the form of 'hard cash.' Hoarding upholds the rules of simple circulation and thus sustains the function of money as universal equivalent through "absorption and preserving the difference between the total money supply and money in circulation."[xvi] In doing so it provides the monetary basis for credit and international transactions. Thus hoarding becomes implicated in both the development of money form as a universal equivalent and the role of money as credit-money. Credit-money being a form of money that is both a product of the production process and independent from production determining the financing of historical changes in the production process.

So far we have seen time play two distinct roles within the process of simple circulation. We find labour time on the one hand and the time of circulation on the other. The former is time that is used operatively to measure value, and is therefore abstract. While the latter is the time that it takes for capital to circulate throughout social relations and therefore concerns empirical time. These two temporal forms do not relate to one another in a linear way, nor are they able to facilitate the other through providing the correct timing. To compensate for this the economy requires the use of credit-money to substitute for the temporal inconsistencies between the circulation of money and the extraction of value from labour. This extraction provides the substance for the production of more money, money needed to finance the very use of labour. Credit-money thus works as a modification of the C-M-C exchange, that although requires succession (as labour comes before money), in practice often takes place simultaneously.[xvii] For example if a producer needs to procure a commodity in order to produce their goods, yet can only afford to pay for this in the future once their product has been made and sold, credit steps in to account for these temporal inconsistencies. In this way credit-money plays the role of future money and in doing so also creates the very conditions for the possibility of the future money. Credit-money is therefore non-synchronic with capital accumulation. It is this very aleatory temporality occupied by credit that allows it to fill in for temporal inconsistencies within the logic of capital where money is the medium of circulation. Credit thus does not share temporality with capital.[xviii]

Credit operating in the context of simple circulation is called 'commercial credit' and is the form of credit that functions as the basis for the credit system.[xix] Commercial credit is a direct product of the use of money as a means of payment and therefore, although it cannot be said to be a simple money-form, it also does not exceed its role as a form within the monetary system. This is because commercial credit, functioning as means of payment, acts 'as if' it is money-form. Commercial credit then exists between the monetary system and the credit system. By existing between these two realms commercial credit contains the contradiction of at once functioning as a means of payment, while also not containing the value needed for the payment. Representing "simultaneously the ultimate dematerialization of money and its re-embodiment."[xx] By filling in for money as a means of payment, credit-money makes explicit its role as a 'form-determination' opposed to an objective thing that contains value. The dynamic of dematerialisation of money as a form representing value and its re-embodiment in a form that represents future value, clarifies the role of the money-form as a medium of circulation as a medium that requires only that something stand in for its role. However, this process of dematerialisation and re-embodiment of the money-form internal to credit-money causes a discrepancy between credit-money as well as its monetary character since this form of money is at once more and less than the money-form proper. It at once stands in for future money and is also empty of value, representing future value that is not yet present.

Based on the circulation of debts, credit-money is not the circulation of money qua money. While credit-money has 'monetary characteristics,' since it functions as a medium of circulation and a measure of value, it nonetheless has a different temporal relationship to the realm of production. Thus what renders problematic the re-embodiment of money in the form of credit-money is the temporality of credit. It is credit-money's temporal form that makes it non-equivalent to money qua money. Credit-money stands in nominally for future value and therefore is unable to confirm the existence of the future value as it is not value directly embedded in a form. This temporal inconsistency forms the basis of the credit-money's unsubstantial use of monetary characteristics. Making it only 'theoretically' money-form as credit-money is not a bearer of value but a bearer of future value and therefore there is no possibility of practical convertibility in the present, which is a central aspect of the monetary form. As de Brunhoff clearly outlines,

> the first function of money, that of the measure of values, cannot be directly fulfilled by credit money. In that sense, "credit money" is only 'money in so far as it absolutely takes the place of actual money to the amount of its nominal value.' But this convertibility has only theoretical significance; in normal times it does not in any way imply and effective convertibility.[xxi]

Credit-money's ambivalent relationship to money qua money is both less and more than money. It is less in the sense that it contains a negative disavowal of the use of the value form in the present, and more in that it represents the positive production of making present that which is absent: future value. The significance of this being that credit-money is unable to fully replace the function of money as these temporal inconsistencies reveal themselves when capital is in crisis. In a time of crisis, we no longer find the speculative theoretical evidence that value will be recovered in the future. In this way credit-money no longer sustains its 'credibility' in acting as money and will thus need to be replaced by the actual money form. This stand-in form is referred to as 'fictitious capital,' which is capital that has not gone through the circulation process and thus is not valorised but rather bases itself on extracting value from the circulation process in the future. In this way fictitious capital, as a form of circulation, connects our future time to the present. This future time is the time of our lives that is not yet determined by abstract 'capitalist' social relations and thus to quote de Brunhoff, credit "organised as a system, combines even under capitalism a composite of pre-capitalist elements (money and the money trade) and post-capitalist elements (the circuit of credit being a superior circulation, effected by intermediaries, completed within itself, and already placed under social control)." Although adopted to the needs of the capitalist mode of production, credit-money never really shares the same time as capital.[xxii] Thus credit-money is a form that is able to change the quality of how capital generates profit through the actualisation of contemporaneity in social life.

To Conclude, money, as an independent form of circulation is the form that brings the different temporalities of social practice into connection with each other. This is done through facilitating the reproduction of capitalist relations based on its ability to translate value from one form to another; each form connecting different social practices which contain different temporalities including past and future in the case of credit-money. Further, capitalist temporality is based on the temporality of circulation that although is premised on lived life, has its own autonomy and acts on the temporality of social practice. The resulting temporal distinction between capitalist temporality of the value form and the temporality of social life qua social life is much like the Bergsonian distinction between temps and duree. Temps is rarefied time that bases itself on measure, while duree is lived time or the time of social practice. Temps is descriptive of the time of capital qua capital in which money circulates through its ability to connect the temporalities in the realm of the time of lived experience in which it depends. As a medium of circulation, the money-form provides a rarefied temporal structure that functions to connect different times in a co-presence, and in doing so supplies a latent temporal structure of what we understand by contemporaneity: a self-conscious grand narrative that claims the worldly co-presence of different times. Perhaps then the durational actualisation of contemporaneity, like that of money, does not occur without its fictions.[xxiii]

---

[i] Geoff Cox and Jacob Lund. *The Contemporary Condition: Introductory Thoughts on Contemporaneity & Contemporary Art.* (Berlin: Sternberg Press, 2016), 9.

[ii] The title of the book series edited by Geoff Cox and Jacob Lund. See Geoff Cox and Jacob Lund, Opt cit.

[iii] Reflecting Peter Osborne's definition of the contemporary as "that of the coming together, the unity in disjunction, or the *disjunctive unity* of times." In Peter Osborne. *Contemporary art is post-conceptual art.* Public Lecture. (Villa Sucota, Como: Fondazione Antonio Ratti, 2010).

[iv] 'Fictitious Capital' refers to a concept used by Marx in *Capital Volume Three* to describe the use of one form of value more than once, something that occurs when money is lent as credit. In the case of credited money one form of value is multiplied to at once account for the money owned by the creditor and the money used by the debtor. The use of one form of value more than once means that one of the two values must be fictitious.

[v] Augusto Graziani. The Marxist Theory of Money. *International Journal of Political Economy*, vol. 27, n° 2, *Marxian Theory: The Italian Debate* (Summer, 1997), P 27.

[vi] Karl Marx. *Capital: A Critique of Political Economy Volume One.* (New York: Penguin Books, 1990), 247.

[vii] Suzanne de Brunhoff. *Marx on Money.* (London: Verso, 2015), 23.

[viii] Karl Marx. Opt cit., 163.

[ix] Massimiliano Tomba. *Marx's Temporalities.* (Leiden: Brill, 2013), 149.

[x] Johann Wolfgang von Goethe. *Selected Works.* (London: Everyman Library, 1999), 778.

[xi] Karl Marx. Opt cit., 255.

[xii] Suzanne de Brunhoff. Opt cit., 23.

[xiii] Karl Marx. *Capital: A Critique of Political Economy Volume One.* (New York: Penguin Books, 1990), 247.

[xiv] Karl Marx. Opt cit., 255.

[xv] Karl Marx. Opt cit.

[xvi] Suzanne de Brunhoff. Opt cit., 48.

[xvii] Suzanne de Brunhoff. "Marx's Contribution to the Search for a Theory of Money." In Moseley ed., *Marx's Theory of Money: Modern Appraisals.* (New York: Palgrave Macmillan, 2005), 211.

[xviii] Suzanne de Brunhoff. *Marx on Money.* (London: Verso, 2015), 98.

[xix] Karl Marx. *Capital: A Critique of Political Economy Volume Three.* (New York: Penguin Books, 1991), 400.

[xx] Suzanne de Brunhoff. Opt cit., 81.

[xxi] Suzanne de Brunhoff. Opt cit., 85.

[xxii] Suzanne de Brunhoff. Opt cit., 98.

[xxiii] See Peter Osborne's explanation of contemporary as fiction in Peter Osborne. Opt cit., 4.

Brunhoff, Suzanne de. "Marx's Contribution to the Search for a Theory of Money." In Moseley ed., *Marx's Theory of Money: Modern Appraisals.* New York: Palgrave Macmillan, 2005.

Brunhoff, Suzanne de. *Marx on Money.* London: Verso, 2015.

Cox, Geoff and Lund, Jacob. *The Contemporary Condition: Introductory Thoughts on Contemporaneity & Contemporary Art.* Berlin: Sternberg Press, 2016.

Goethe, Johann Wolfgang von. *Selected Works.* London: Everyman Library, 1999.

Graziani, Augusto. The Marxist Theory of Money. *International Journal of Political Economy*, vol. 27, n° 2, *Marxian Theory: The Italian Debate.* Summer, 1997.

Marx, Karl. *Capital: A Critique of Political Economy Volume One.* New York: Penguin Books, 1990.

Marx, Karl. *Capital: A Critique of Political Economy Volume Three.* New York: Penguin Books, 1991.

Osborne, Peter. *Contemporary art is post-conceptual art.* Public Lecture. Villa Sucota, Como: Fondazione Antonio Ratti, 2010.

Tomba, Massimiliano. *Marx's Temporalities.* Leiden: Brill, 2013.