Making Instruments Fictitious

> *"The creation and stimulation of demand, which motivate the symbolic economy, were achieved through the use of the unlimited resources of speculation."*

As mankind became less dependent on nature and the natural things, the functional and existential risks have developed exponentially. They have emerged out man's world need for self-determination, with the promise that this world created by man will come to perfection through the virtualization of the actional space.

The artificial world (a demonstrative expression of man's demiurgic propensity) has largely materialized during the post-Enlightenment industrial revolution. On the path of the thus configured progress, economicity has accepted among is functional principles – after the gold-standard was made redundant – the most perverted form of the synthetic: producing fictitious instruments. The expansion of the power of making unlimited transactions has thus invented, above everything, fictitious money.

The context of the expansion was given by the real-nominal dichotomy, which was in this way proven to be more than just a methodological development in the conceptual universe of Economics. Here were grown the seeds of faith in the possibility that value can be something other than a matter of evaluation: value came to be understood as a natural result of speculation. And speculation achieved its perfection by replacing the objects of trade with their most depersonalized conventional forms. Issuing currency has become, unavoidably, the miraculous source in the formation of the ocean of credits. Within its vast expanses the competition started for the evermore expensive cruises of amplifying the consumption function as the engine of economic growth.

The first major breach to appear in the realist vision of economicity happened the instant monetarism turned the symbolic economy into the alchemy laboratory of added value. Starting from the neoclassical ambition of creating demand to monetary creation, or from the stimulation of the leverage effect to turning the market of dual banking into fact, the creation of fictitious instruments in the space of economic activity supported speculation's power of attraction based on consumption.

There is no doubt that this new constitution for value was founded on the assumption that the market certifies value rationally through a mandatorily rising level of asset return. Despite the circular assertion, this theory has become widely accepted as a basis for substituting the forces of the market with strategies of speculation, either through the stock market channel or through the one transacting commercial instruments. It is true that the amplitude of the substitution has been maximized by generalizing the practice of the lender of last resort (being represented by the central banks) and by making official the policies of socializing loss (meaning dumping them into the public debt).

With these two output pressure valves, it is self-explanatory that the financial market was free to prove its performance by turning to the process of creating fictitious instruments. Only that in these conditions the end-indicators had to be seriously dressed-up to be interpreted as profit in accounting. This is the reason for polishing the methods of eliminating losses from the balance sheet, under the guise of the securitization offered by derivatives. Looking at the situation as a whole shows that the financial market was allowed to declare the profit, favored by the function of the central bank regarding the free allocation of financial resources, while the losses were introduced into the public budget deficit.

In a manner lacking epistemological perspectives, the function of valuing goods was directly taken over by the symbolic economy. Offer and demand – as the forces to generally structure the market – came to be managed as monetary instruments. The phenomena relating to price were monetarily substantialized. The excuse for this success was – theoretically speaking – at hand, because the dimension of the market had become a problem solvable only through the transmission channels of monetary policy. The creation and stimulation of demand, which motivate the symbolic economy, were achieved through the use of the unlimited resources of speculation. Supplementing demand was itself proven an unlimited resource by way of making money fictitious. In this way the symbolic economy tended to become sufficient to itself, helped by currency issues and by the appetite for the credit stimulated compensating it on public debt.

Taken as a whole the economy seemed to be exclusively efficiency-driven in its symbolic part and mixt in its real part. The miracle was made possible by the demonic distributor (à la Maxwell) which turned out to be lender-of-last-resort function of central banks and the savior-of-last-resort function attributed to the public budget. Obviously, the distribution of losses targeted the real economy and the households, at no discount.

This mechanism, which explains the process for the production and reproduction of economic crises in the last three or four decades, has generalized the false belief that value is linked to the potency of the symbolic economy. Making this economy autonomous seemed natural as fiduciary money broke away completely from the material support traditionally provided by the real economy, which is mostly seen as production.

In the way theoretical vision has evolved, Economics was interpreted (and had offered explanations for its part) without connection to its conceptual fundaments. This is the only course on which took shape the idea that the present crisis belongs to Economics, not just to action.

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