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## Chapter Three

### **The Aesthetic Spirit of Modern Capitalism**

Peter Murphy

From approximately 1770 to 1970, in a series of industrial revolutions, human standards of living were utterly transformed by the ingenious application of the arts and the sciences. The University of Illinois economist Deidre McCloskey put it this way: Two centuries ago the world's economy stood at the present level of Bangladesh.<sup>1</sup> In 1800 (in our dollar terms) the average human being lived on \$3 a day; a person in contemporary France or Japan lives on \$100 a day. In Norway, the average person earns forty-five times more than their predecessor did in 1800, a remarkable \$145 a day. China today has managed to reach an average of \$13 a day. That is four times the 1800 level and that number is rising rapidly. Only 1.1 billion of the world's 6.7 billion people still live on \$3 a day. If anything is progress, then that is progress.

But what made this possible? It was not any of the usual suspects. It was not education, nor was it trade. It was not knowledge capitalism, or merchant capitalism, or even industrial capitalism, even if the mix of capitalism and technology, and capitalism and science, and the global reach of capitalist commerce were each part of the story. This though is a story that also includes parliamentary democracy and skyscraper cities and the wide-spread diffusion of pharmaceuticals and the rise of the automobile, and much else besides. One might call it all 'modernity'. Yet already by the seventeenth century some Europeans are living in distinctly 'modern' societies and yet still in 1800 the gap between the world's richest and poorest societies was a modest ratio of 2:1, whereas today it is a

jaw-dropping 60:1, and this gap widens every day. So modernity, commerce, democracy, technology, and so on, by themselves do not explain the economic miracle of the past two hundred years. What then does?

McCloskey says that the important difference is ‘innovation’, or rather the pace and scale of innovation of the past two centuries. To an extent, I agree. It was the institutionalisation of invention—aka innovation—that made the difference. Innovations ranging from automobiles to elections, constitutional states to antibiotics re-shaped human existence. That said, I also have reservations about the word ‘innovation’. Innovation comes from the root Latin word ‘novus’ meaning *new*. The same root gives us novel, novelty, novice, renovate, and so on. There is much that is new in the past two centuries. Yet the quality of ‘being new’ does not explain the last two centuries. It was already well observed by the time of the eighteenth century that the work of innovation—of improvement—often leads not to development but to disaster. It is not always the case but sometimes, and oftentimes, we are worse-off because of improvement. The world is littered with reforms that, when applied, are retrograde. Movement forward sometimes leads us backwards. The rhetoric of betterment oftentimes in practice leaves us worse off. So we cannot say that modern capitalism’s great economic leap forward is explained by ‘the new’. Novelty was not a winning power. Rather it was capacity to have that which is new endure. The new that is old is the key. This is the *novus ordo seclorum*—the paradoxical ‘new order of the ages’—that turns innovation and improvement into a lasting achievement. How is such a thing possible?

The American Founders used the ‘new order of the ages’ as their constitutional motto on the Great Seal of the United States. The motto merges the beginning and the lasting. It

unites initiative and permanence, transience and durability. The capacity to do this is much more important than innovation on its own. What impresses human beings—and what contributes to the well-being of humankind—are innovations that last. The industrial machine first appeared in the late eighteenth and early nineteenth century. It is just as important today as it was at the moment when it was first created. We still live in a machine world. The machine in its many guises is essential to why we have a standard of living of \$145 a day and not just \$3 a day, and why now only a sixth of the world lives on \$3 a day. To have gotten to such a point, a good fraction of humanity has had to have had the experience of making transience and durability one. This is not an easy thing to do. It is not an easy thing even to think. It is not easy because such ineffable merging is a shorthand for creation—and creation is difficult to either achieve or conceive.

To innovate in a way that the new becomes the old is to create, and not just innovate. So when Deidre McCloskey says that the key to understanding the miracle of modern capitalism is ‘innovation’, whilst nodding cautious assent I think we also have to say that the miracle of innovation is due to the power of creation. Innovation works when it is not simply the new, the different, the latest, or the contemporary but when it translates each and all of these qualities seamlessly into the old, the deep-rooted, the long-standing, the established and the proven. That is the work of creation, and creation is the work of paradox. Let me explain this with an example that is unambiguously agreed by all to be an act of creation. This is the science of Einstein. What Einstein did (in essence) was to merge the electromagnetic theory of Maxwell with the mechanics of Newton.<sup>2</sup> These theories seemingly had no relation. To contemporaries of the time they were different paths of science. Einstein combined them. He didn’t simply produce something new, though he did that. What is crucial though is that newness is not a rare quality. It is easy to

produce novelty if we wish. What is difficult to do is to produce novelty worthy of repetition. To do that one must replicate the enigmatic-paradoxical structure of creation captured in the new-old initiative-endurance dyad-turned-singularity. In the admirable words of Dean Keith Simonton, *innovation depends on the ability to see relationships between hitherto unconnected ideas or methods and then to fuse them into a new synthesis.*<sup>3</sup> When that uncanny synthesis happens, we have more than novelty.

The capitalism of the last two centuries has been successful in an unprecedented ways because (somehow) it mastered the ‘logic of creation’. This is no mean feat. This is especially remarkable considering that the ‘logic of creation’ is not procedural yet so much of the social institutions of the world in the past two hundred, and most especially in the past century, have become suffused with procedural rationality. Creation is not legal-rational in structure. It is not methodical. It is not the ‘logic’ of process, policy or procedure. In fact, it is not ‘logical’ at all. It is *analogical*. Or to put it another way: it is *paradoxical*. It is the non-logical ‘logic’ of the imagination. How capitalism—of all possible social forms—managed to absorb the ‘absurd’ (but powerful) ‘logic’ of the imagination is an incredible story, and one that we still understand little about. The short of it is that modern capitalism of the past two centuries has proved astonishingly successful in a material sense because it absorbed into its core the non-material spirit of paradox and analogy. This is the same analogical spirit that lies at the heart of successful art works. Modern capitalism succeeded because it absorbed a certain ‘poetic’ capacity. I mean ‘poetical’ in the same sense that Shakespeare is ‘poetical’. This denotes the capacity to generate metaphors and paradoxes. The simple, stunning nub of things is that the more metaphors and paradoxes that the social system of modern capitalism generates, the more wealth it generates. How is this so?

The answer to this question begins with art. Art is an act of creation. The word ‘art’ is derived from the Latin ‘ars’. ‘Ars’ signifies the act of putting together, joining and fitting. Aristotle observed that the business of every art is to bring something into existence. It manages this work of objectivation by the act of putting together, joining and fitting what (otherwise) is separated and in reality often markedly and even radically separated. Pablo Picasso and Albert Einstein both thought about time as a kind of space and space as a kind of time. In doing that, they put together what before them was usually thought to stand in opposition. They engaged thereby in the act of creation. One did it as an artist, the other as a scientist. Both did it as creators. Both created works of significance for the world. The creator joins together what stands in opposition.

Wealthy societies are prodigious producers of art. Whether it is ancient Athens or Rome, Renaissance Italy or twentieth-century America, Elizabethan London or fin-de-siècle Vienna—wealthy societies have been the principal producers of art works. Yet wealth is not the cause of art, or at least not its principal cause. Wealth provides the social time needed for the execution of artworks and the means for their accumulation, distribution and display. Yet even if wealth is a requisite means to the ends of art, this does not explain the artistic drive to create or objectivate—to ‘bring something into existence’. Wealth is not the direct cause of creation. It often provides the circumstances or setting for the act of creation—the backdrop—but not its motive-power. Despite its reputation, wealth has weak casual power. It is more often an effect than it is a cause. Art is the obverse of this. This is because it is a model for ‘bringing things into being’. Art is productive. More than this, it is a model of production and objectivation. It shows us and inspires us to bring

objects into being and fashion worlds. Art produces, creates and objectivates by transforming materials, ultimately energy, according to form, pattern and shape.

The greater part of the power of art is its power of tacit design, its intuitive shaping of things, words, tones, pigments, stones. Art's productivity is mystical. It is mostly mute and un-discursive about what it does. Art is often at its worst when it talks a lot about what it does. Conversely the act of creation is difficult to describe or explain. It acts through imaginative patterns that elude explanation even if in the end they can be explained. From the practice of art, societies learn how to silently, tacitly, aesthetically compose, order, and organize themselves. Art is the mysticism of the social order and art is the animating power of wealthy societies because of this productive mysticism. The social impact of the productive, shaping, forming impetus of art is remarkable. Viewed from a causal standpoint, it is not wealth that produces art but rather art that produces wealth. That is why wealthy societies are commonly 'artistic'. Far beyond all of the patrons, endowments, and museums, wealthy societies are enchanted by art because art teaches such societies how to be productive. Yet this is a difficult lesson to learn—and naturally, what can be learnt, can also be unlearnt.

Many kinds of wealth have existed in human history. But nothing compares with the scale of wealth of modern capitalism of the last two centuries. This capitalism, prodigious as it has been, doesn't really have a proper name, at least one that adequately distinguishes it from the various capitalisms that came before it. Modern capitalist societies since 1820, when English industrial capitalism entered into full flight, have generated historically unprecedented levels of wealth. The difference in scale is not relative but absolute.

Modern capitalism produces such prodigious wealth in no small part because it coupled

itself with the advancement of the arts and sciences. But here caution is required. When we think of the arts and the sciences we are liable to think of knowledge. Modern capitalism is an aesthetic mode of production but this aesthetic mode of production is not a knowledge economy. It is not knowledge writ large. The arts and sciences do generate knowledge but their productive core is not knowledge, and it cannot be reduced to knowledge. Knowledge is an effect not a cause. When effect is substituted for cause, the power of the arts and the sciences visibly decays. Knowledge economies are an expression of a decadent, not an ebullient, capitalism.

What explains the unparalleled wealth of capitalism of the past two centuries is not just a change in the economics of the world. It is not just that capitalism allied itself with art and science. For on the other side of the ledger we have seen just as an important change in the character of art. At the heart of things what we have seen is the *transformation of art into aesthetics*—and the *aesthetic stimulation of economics*.

Aesthetics is a universal condition. Self, society and nature—each one of these has an aesthetic core. Everything that we recognize, everything that has meaning, everything that we can usefully interact with has form, shape and pattern. This includes nature and the cosmos. Thus science also has an aesthetic core. Great mathematics, engineering, and technology constantly pay homage to beauty. Nature is built on symmetry, symmetry-breaks, clustering, pairing, scaling, morphogenesis, tripartite structures and many other qualities familiar to us from aesthetics. Creation is the act in which features emerge from featureless nothing, be it the blank sheet, the social desert, or the cosmologist's void. Aesthetic qualities of form, pattern and shape are the media of creation. At the other end of the spectrum of significance, human beings are saved from the torture of boredom by



aesthetic distinctions. Contrasts and symmetries grace all creation. Whether it is the sublime evocations of the cosmos and our puny place in it, or the mundane matters of profane utility, the aesthetic media of form, pattern and shape play their role. Art and science tap into these. Modern capitalism taps into art and science. Digital mobile technologies that our contemporaries delight in are underpinned by kinetic, tactile, visual and auditory aesthetics. The time of mobile technologies will pass as does the time of all technologies but the underlying aesthetic qualities will endure as they always do.

Two intertwined transformations of great significance occurred in the last two hundred years. One was the discovery by economics of art. The second was the transformation of art into aesthetics. The former discovery was accompanied by a paradoxical insight, *viz.* that the power of aesthetics is economic. Whether it is the Shakers' furniture paying homage to God, or John Adam's glorious repeating oscillating string work *Shaker Loops* (1978), or the puritan minimalism of Modernist industrial design, unadorned, sheer and sleek, or the direct immediate language of advertising and Hemingway, shorn of baroque tangents—all is economic. Economy is a type of abstraction. Abstraction is the act of taking away. Modern capitalism is built on the art of abstraction. Abstraction unlocks the power of design. It harnesses its spirit. In doing so, it unlocks the power of aesthetic economy. Firms, organizations and markets rationalize. Less is more—as the great architect Mies van der Rohe put it. If the energy consumption of machines was not hundreds of times more efficient than it was in James Watts' time, then capitalism would be the extinct species many had expected it to become.

A second, allied, shift occurred in the past two centuries. This was the transformation of art into aesthetics. This modulation was already hinted at by the philosopher Søren

Kierkegaard in the 1840s although he could only allude to what was to come. The time between 1820 and 1960 was dominated by capital-A art. The era from the Romantics to the Abstract Expressionists was one of the great periods of art in human history. The period since that—the era of post-modernism, global art, and media art—has been outstandingly mediocre.<sup>4</sup> Take any representative sample of name artists from the gallery system from any decade since 1960. Test if they are still ‘names’ twenty-five years later. Most are not. Little post-1960 art has proved durable. Most is uninspired and much of it is execrable. Not to worry, for the mediocrity of post-1960 capital-A art allowed a more modest aesthetics to replace many of the functions of capital-A art and to add to those functions as well—and to do so in an increasingly overt alliance with economic and industrial institutions. It is the alliance of aesthetics and economics, design and industry, beauty and society that sets apart the capitalism of the last two centuries. It was achieved by the gradual permeation of art into everyday life in a way that has no precedence before the beginning of the nineteenth century. The rise of commercial art was one of the first explicit signs this was going on. The centrality of design in product engineering, the growing aesthetic content of products, the increasing visualisation (and now kinetic-visualisation) of marketing and the corresponding decline of the marketing message have all been hints of a deeper, larger underlying transformation of modern capitalism. This form of capitalism still lacks a proper name but it has a strong aesthetic inward spirit and it is accompanied increasingly by the transformation of the historic transcendental form of capital-A art into a widely-diffuse immanent form of social aesthetics.

Let me give one simple example of this transition from the 1960s: the case of the art movement-milieu-climate Fluxus, which distanced itself from the gallery system and from the formal institutions of the art market and stressed a do-it-yourself (DIY) approach to

art.<sup>5</sup> It emphasised having a day job, inserting art into everyday life, and the aesthetic make-over of everyday existence. Small formats, cheap materials, and a concentration on the familiar, the ordinary, and the low were all part of this attitude. This was symptomatic of a greater shift taking place. From 1830 to 1960 the capital-A system of Art prevailed. It was dominated by the institutions of the gallery, the art market, and the art critic. Capital-A art was divided and sub-divided into strict art disciplines: painting, sculpture, music, architecture, and so on. Each in its turn was separated from text and rhetoric. Each discipline was governed by a philosophy of purism and autonomy. Each domain jealously guarded its turf. Turf wars were common, much like trade union demarcation disputes. The world of the university replicated this. Studio arts produced studio practitioners who dreamt of gallery exhibitions even if few of them ever achieved that.

Fluxus in a variety of ways took issue with all of the above. Whether it was the symptom of a change or an agent of that change, or both, one can debate. Nevertheless a great, quiet, almost invisible, subterranean transformation nonetheless took place in the fifty years between 1960 and 2010. One can see the effects of this in the institution of the university. Discipline-based and studio art programs declined and in many cases died during this period while the focus moved to trans-disciplinary computer-lab-based arts. The emphasis of Fluxus on inter-medial art—on the fusion of mediums—also validated the strong tendency of multi-media lab-based programs to edge out discipline-based studio programs in the post-modern era. Even more important than this was the way that capital-A Art on many fronts began to evolve into Aesthetics. Art in the guise of aesthetics moved out of the capital-A Art institutions into larger and broader social, industrial and civic contexts. One of the earliest examples of this was twentieth-century advertising but by the turn of the twenty-first century we had begun to see it everywhere.

Where does look for contemporary art today? One does not look for it in the gallery system. Contemporary galleries mostly show mediocrities and short-lived art sensations. There are the odd exceptions but in the main you will not find classic great artworks in contemporary galleries. Interesting art-like-phenomena rather are to be found in the Fluxus domain of the everyday. They are to be found in cities, offices, culture industries, suburbs and homes. There are historic precedents for this: the American City Beautiful movement, the English Arts-and-Crafts movement, and the modernist Bauhaus movement among them. Each of these had their share of ridiculous art pretensions. But each in their own way anticipated pervasive social aesthetic qualities. I compare today with the days of my childhood and I think about how much is spent now (by almost everyone in OECD countries) on the aesthetic embellishment of their houses and gardens. Take the beautification of the humble bathroom, which in my life-time alone has gone from a functional to a design space, and is (I suspect) now a place of solace, enchantment and contemplation for practically everyone, certainly in my own home country of Australia.

The efflorescence of an everyday 'art' world subtly changed everyone's lives in advanced economies even if the denizens of those societies rarely paid particular attention to the large-scale fusion of art and economics and the translation of art into aesthetics that was quietly happening around them. The most interesting social changes are often the ones that we don't pay attention to until after the fact and that draw us in without beating us over the head with their self-declared virtues. I am reminded again of Fluxus in the 1960s. One of its admirable characteristics was that it was an entity of in-direction. This sat very well with the Zen thread of Buddhism that subtly influenced some of its key tenets, and in all of this it owed something to the composer John Cage. Quite a number of Fluxus' early

members sat in on classes with Cage at the New School for Social Research in New York City in the 1950s. While Cage was a composer, in the things that really matter he was principally a philosopher of art or really a philosopher of an enigmatic Zen-like inverted-art. Cage wanted to get rid of capital-A art. This was not because he was yet another annoying member of the capital-A arts avant-garde indulging in self-lacerating irony. This was not even because Cage was a precursor of 1960s Conceptual Art. Rather Cage had the quite plausible intuition that the days of capital-A art that had passed down from Greek antiquity through the medieval Church to the Modernists were ending. These days did end, and by the way this was a great loss. I lived through the ending. I saw it for myself. I saw a visceral draining of energy from the capital-A Arts through the 1970s to today. The last forty years have produced few great art works in the classic sense. But this period though did produce something else. So the loss has not been without gain.

While John Cage was not a great composer, he had an interesting attitude. He recognized that capital-A art was having difficulty with its historic mission. That mission was to produce either Beauty or Truth. Sometime in the twentieth century it stopped doing this. Philosophers explained this by saying that this was ‘the end of metaphysics’. If you look at some of the attitudes that were wide-spread in the twentieth century, there is little doubt that the True and the Beautiful, and their companion, the Good were in strife.<sup>6</sup> A background stance of relativism spread through twentieth-century societies. An anxiety about judging anything to be true, beautiful or good proliferated. High-art paid a price for this. Pretension, ugliness, and a fascination with tyrants followed. Cage tried to find a way around this. He replaced Beauty with Experiment. Experiment had characterized American arts and science since the eighteenth century, not least of all Cage’s great predecessor the composer Charles Ives. In lesser hands, though, experiment usually ended

in pretension. The painful posturing of most experimental artists leaves experiment as an unconvincing metaphysical substitute. Cage was more successful when he replaced Truth with Paradox. This was something Cage learnt from Zen Buddhism but also from a mainstream American philosophical tradition that had passed down from Ralph Waldo Emerson.

Cage's students in Fluxus did something similar. They replaced Truth with teasing Paradox and Humour. They also replaced Beauty. But in their case they replaced Beauty not only with Experiment but also with something that might be called the decorous spirit of the Everyday. They could do this because they had begun tacitly, perhaps unconsciously, to replace Art with Aesthetics. This was the notion that artistic forms and techniques belonged in and amongst the everyday, much like say the attitude of the American Shakers and their exquisite furniture. The good, the true and the beautiful, along with the divine, belonged in and among worldly everyday artefacts—in and among our packaging and our wrapping, our posters and our boxes. In the same spirit, what happened to capital-A art after 1960 is that it turned into Ikea. *Do not laugh*, because what happened was quite amazing. In a very practical way, art began to move out of galleries into the world of industries, homes and cities. While the last forty years of capital-A art has been very ordinary to say the least, the everyday world of homes, industries and cities has been aestheticized in a way inconceivable to any previous century. The everyday was touched by the transcendental in an immanent manner. The sacred invaded the profane. That is where the real action has been.

Fluxus was an art movement that pointed in an aesthetic direction. It said *use simple materials*. It said: *leave the gallery system*. Don't be concerned about art markets. Don't

be afraid to get a regular job. Don't rely on grants, *do it yourself*. And that is what the world did. The art-inclined did find jobs in business and industry and organizations that thought that design values and thoughtful proportions and simple lines and ingenuous patterns were a good thing. What the world started to grasp in a vaguely explicit way was that art and economy had much in common. What hitherto had been set apart was married together in this moment. That art was economics and economics was art was a paradox. But paradoxes, as Emerson and the Zen masters understood, are deeper truths for worlds, like our own, that struggle greatly with any kind of truth, and are the worse for it. The cultural condition of the modern capitalism of the last two centuries is a paradoxical one. It is paradoxical in the same sense that Mies van der Rohe's aesthetic of 'less is more' is a paradox. Paradox permeates the interesting bits of art and capitalism. It is the ambidexterity of these paradoxes that is the source of the power of art's aesthetics and capitalism's economies.

In art, rational asceticism begets pleasure. Is not Richard Hamilton's design of the chaste cover of The Beatles' *White Album* (1968) a sensual delight? Do we not find in modern capitalism's most successful forms a fine line between the bourgeois and the bohemian? Did not venture capitalists in Silicon Valley lend millions of dollars to individuals who did not own a suit? Be wary of hard-and-fast distinctions, for capitalism, like art, dissolves them. Reason and mysticism might seem to be opposites. Yet the hardest workers, and the finest organizers, are often mystics. Karl Marx thought that capitalism would die because of its contradictions. Instead it flourished because of them. No social order has ever been so embracing of contradiction and thus so art-like. It is the same embracing of contradictions that gives the capitalism of the past two centuries its prodigious power of productivity. No economic form before in human history has matched the productivity and

capacity for growth. ‘Things come into existence’ when oppositions become identities, and identities turn into oppositions. Einstein speculated that the cosmos is hyper-spherical in shape. It looks a little like an Alexander Rodchenko sculpture. If we assume for a moment that Einstein was correct, then the infinity of space is bounded. This is a metaphor of creation. For all creation—every act of ‘coming into being’—is a paradox. To master the great galloping steed of modern Promethean productivity is to be able to master paradox. Paradox is a kind of power-*doxa* of creation. It is making in the most potent and fundamental sense. As they emerge—in a quantum state—from nothing, time behaves like space, and space like time. Stephen Hawking and James Hartle in any event thought so. The extraordinary power of the space-time identity is surely only exceeded by the astonishing capacity of nothing to behave as if it was something, an ambidextrous identity appears to lie at the heart of the creation of the universe.

Creation is smeared. It is lip-stick on an androgynous character out of a Lou Reed or David Bowie song, a blurry but sharp non-identical identity perfectly captured by Mike Garson’s atonal piano on *Aladdin Sane* (1973). Smearing is what art does. It is what modern capitalism—the colossus of innovation—does. Within the domains of both art and capitalism, we are obliged to live ambidextrously. Our seriousness is cast in the mode of ironic humour and our harmonic tonality is subtly framed in atonal notes. In the same enigmatic way, quiet conservatives set in train the revolutions of our time while self-proclaimed reformers and revolutionaries invariably end as calcified reactionaries. John Cage seemed to grasp that we live life best through inversions. His most famous work, his 1952 composition *4’33”* was silent—further to which Cage understood there was no such thing as silence. Even in the hyperbaric chamber, we still hear the beating of our heart. Our silence is filled with noise. This noisy silence, just like time-space or the universe’s



origin in the union of something and nothing, has a peculiar power—or power-*doxa*—that animates interesting things and energises events. This is the metaphysics of a post-metaphysical age.

I do not want leave the reader with the impression that all is well in the post-metaphysical age, though. The rise of social aesthetics is an interesting phenomenon in the context of a rather uninteresting age. In large measure the period since the late 1960s has been one of decreasing not increasing social energy. There are exceptions, such as the case of China. But the central power-houses of post-1800 capitalism—North-Western Europe, the United States and Japan—visibly slowed down in the period between 1970 and 2010. Productivity rates declined as did the rate of growth of GDP per capita and the rate of growth of real income per capita.<sup>7</sup> Growth peaks reached in the 1940s, 50s or 60s were not recaptured in later decades. There was incessant chatter about knowledge economies and the information technology revolution in the 1990s, particularly in America. Yet the practical consequence of this was little more than a brief upsurge in productivity in the late 90s. After 1970, the great economies were dogged by a series of troubling phenomenon. The rate of fundamental discovery in the arts and sciences declined.<sup>8</sup> Governments spent more money in real terms on research and development for less return and less output. The results of this were embarrassingly visible in the capital-A Arts sector which mainly produced risible works of little merit and no staying power. The amount of junk science was equally on the rise through the period with an increasing number of studies that were blatantly phony, crassly uninspired or else simply pandered to public scares.<sup>9</sup> We always have had bad science and bad art but we had considerably more of it in the post-metaphysical age. An expanding ennui gripped the larger society. While capital-A Art floundered, some of the attitudes that had been characteristic of marginal artists spread

widely through advanced societies, notably a disdain for the once dominant work ethic. In the United States, which was previously a symbol of the work ethic, vast numbers of people of working age have now opted out of work into a life on disability payments. The number of Americans of working age claiming disability benefits rose eighteen-fold between 1960 and 2010—from 0.65 per cent of the economically active (18-to-64 year-old) population to 5.6 per cent.<sup>10</sup> In other words, America today has almost as many disabled workers as it has unemployed workers.

In step with this as the general social population began to disbar itself from work, so creative work measured in real terms declined in the post-1970s period. All the while grants to the arts and sciences rose in real terms.<sup>11</sup> Rather than expanding the quality or the per capita quantity of creative work, the grants system instead grew the pool of applicants. As the broader beneficiary society grew, so did the society of creative beneficiaries. The tacit model for this was not ability but disability. The two central measures of both economic and creative ability are work and output. Human creation is a process of objectivation. The creator makes what hitherto does not exist. The creator brings into being what has not previously existed essentially by merging disparate things that do exist. The act of creation is not a rational-procedural process nor is it a spontaneous-romantic splurge of virtuosity. Rather, like old-fashioned work, it is slow, grinding, difficult and painful. The old maxim is completely true. Creation is ten percent inspiration and ninety percent perspiration. One of the principal traits of highly creative people is that they are persistent. Tell them they are wrong and they will keep at their solution to a problem till they show you that you are wrong. The ethos of objectivation and persistence, i.e. of production and work, has declined noticeably in the Anglo-American-European-Australasian world in the past forty years, and also in Japan. The work ethic and the

production ethic have both been significantly weakened in these advanced societies. Since the 1970s, the ethics of production, making, work and building have been replaced by the post-modern ethic of reception, consumption, retirement, and distribution.

Populations in advanced countries have perpetually rising expectations that they will receive ever-larger real incomes and distributive transfer payments while the same societies since 1970s have had (for the most part) measurably diminishing real wealth and declining productivity to meet those expectations. Governments have resorted to short-term fake solutions like sovereign borrowing, budget deficits, and artificially low interest rates (achieved by imperious monetary unions or quantitative easing aka printing money) in order to manage these problems. But such pseudo-solutions only generate further and deeper problems in the end. The period between 1770 and 1970 saw a massive, historically unprecedented, and frankly astonishing growth in real income and GDP per capita in the West followed by the same more recently in China, and a lesser but still impressive and unprecedented growth in real income across much of the rest of the world. This was driven by one thing—innovation—that rested on real, deep creation on a scale never seen before. The post-metaphysical age struggles with this. This does not mean that it cannot create or innovate but rather that its real rate of creation and innovation is declining. We can point to some interesting post-1970s developments like the shift towards social aesthetics. Yet, even then, the major work of the de facto inventors of the aesthetic intensification of the everyday—from Fluxus to the Beatles, Andy Warhol to David Bowie—was done before 1974. After that date, a distinct shift occurs. Air was released from the social balloon. A deflation of the spirit occurred.

Societies after the 1970s tried to fix this with various gadgets from the tool-boxes of rationalism and romanticism. Neither approach worked. Rationalism looked at creation as a management problem. Creation was something to be regulated by process, procedure and policy, in other words by methodical bureaucracy. The only effect of this was to turn creation and innovation into empty cycles of grants, subsidies and applications. What emerged from this was an odd kind of bastardized patrimonial-procedural rationality. To the modern way of thinking, procedural rationality was supposed to replace patrimonial administration. Instead, surprisingly, the post-modern era saw a reflux of patrimonial attitudes in the esophagus of procedural-rational bureaucracies. Associated with this was a culture of bureaucratic narcissism that encouraged the adulation of minor achievements and the replacement of the work ethic with self-indulgence and the substitution of the ethic of production—and Hegelian objectivation—with an ethic of obsessive tax-and-spend redistribution. It is true: if you do not make something, and if you do not create it, then you cannot distribute it. Yet today social subjects in all OECD countries spend less and less time making things, that is less and less time in the dignified act of *poiesis*, and more and more time engaged in the act of taking things and in the related bureaucratic processes of granting and allocating things. In this way the procedural institution of rational-legal bureaucracy has reincarnated itself as a patrimonial institution.

The ungainly combination of the procedurally-driven system of approvals and the patrimonial-inspired system of grants has contributed virtually nothing to human discovery or invention. It simply amounts to the rationalization of hand-outs; it has no meaningful effects on outputs other than to elicit self-deceptive fakery. Take as an example the much-lauded research and development complex of the bureaucratic post-industrial ‘knowledge society’. Its ethos encourages the arts or science applicant-cum-

supplicant to promise exaggerated spurious returns on government expenditure in order to justify prolific funding that delivers diminishing returns to the corpus of human knowledge.<sup>12</sup> In short, it turns the arts and sciences into sublimated forms of beggary, entreaty, and petition. It transforms rationality into patrimony under the guise of ever-burgeoning procedure and policy.

Romanticism has fared no better than rationalism. The romantic hungers after the change and transformation that is promised by conception and invention. There is no doubt that creation and innovation manifest themselves in a wide variety of changes and transformations. Yet, like the great prophet of innovation, the economist Joseph Schumpeter, both are profoundly if paradoxically conservative. Schumpeter's avocation was the sketching of old churches. He clearly felt in his bones that the most radical expressions of modern capitalism are aroused by something deeply conservative. The golden age of English capitalism found its apotheosis in aesthetic medievalism, Gothic wonder, Hellenism and classicism. The neo-Renaissance marvels of the American City Beautiful movement were the halcyon consummation of Chicago's frenetic capitalism, a laboratory in which everything from the production line to the balloon-frame house, the department store to the annual sale and mail-order was invented. This should remind us of a larger paradox: all change is a function of permanence, and all originality is an expression of imitation. The question of what comes before 'the first moment of something new' dissolves once we accept that time in general and modern capitalist time in particular is revolutionary in an enigmatic sense. The wheel of time moves forwards and backwards simultaneously.

That the modern multi-story office building emerges in the skin of the Renaissance palace should remind us that capitalism's ability to reconcile breath-taking cultural contradictions is its winning way. The disassembly line of the meat packing plant inspires the motor car assembly line that inspires Andy Warhol's screen-making factory. The modern corporation either mutates into the art firm or else it goes bankrupt. To make something it must first design it. What a business cannot give form to, it cannot produce. John Maynard Keynes thought that capitalism tended to stagnation and would only be saved by government spending. He thought that capitalism was not inherently dynamic and that its existence was only justified by art that lay outside of its domain. This, in essence, is the view of a Museum of Modern Art trustee. But Joseph Schumpeter—the sketcher of old churches and the prophet of innovation—was much closer to the truth when he observed (much as Max Weber did) that capitalism is value free.

Value freedom does not mean to have no values. No human being is without values. Value freedom does not mean to describe things while being agnostic about their worth. Value freedom is not a freedom from norms. Rather value freedom means the capacity to unite the warring gods of reason and mysticism, worldliness and other-worldliness, asceticism and hedonism, bourgeois and bohemian. This tense harmonics produces the dynamism that ploughs on remorselessly through modern capitalism's repeated cycles of boom and bust. It is what gives contemporary capitalism its unusual power of productivity. It is the driver of creation and objectivation. It is like the artistic union of light and shade, mass and void. Value freedom is what merges the vertical and horizontal, the straight and curved, into one. This kind of fusion lies at the core of human creation. Why it became (relatively speaking) so commonplace in the past two centuries is not easy to say. It produced many unusual unions. What is more unusual than the union of art and economics? Who could

have predicted that or their meeting point in aesthetics? Where antitheses converge, they marry. At its most potent the Latin ‘ars’ is the joining together—enduringly, permanently, indestructibly, lastingly, immortally and in a manner of speaking eternally—of what (and ‘here’ time plays tricks on us) was ‘previously’ separated and split asunder. The best marriages result from the oddest of couples. Marriage is a complementary union of opposites. The marriage of the warring gods is the strangest marriage of all. From its enigmas emerge the most durable creations out of the most unlikely of combinations forged from the deepest contrasts. In the shadow of these, we stand—in awe.

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<sup>1</sup> D. N. McCloskey, *Bourgeois Dignity: Why Economics Can't Explain the Modern World*, Chicago, University of Chicago Press, pp. 1-6.

<sup>2</sup> D. K. Simonton, *Genius, Creativity and Leadership*, Cambridge MA, Harvard University Press, 1984, pp. 74-75.

<sup>3</sup> *ibid.*, p. 74.

<sup>4</sup> The same applies to literary fiction. “...most contemporary literary fiction is terrible: mannered, conservative and obvious. Most of the stories in the annual best-of anthologies are mediocre, as are the stories that populate most magazines.” J. R. Lennon, “Most contemporary literary fiction is terrible”, *Salon*, March 29, 2013.

<sup>5</sup> K. Friedman, “Freedom? Nothingness? Time? Fluxus and the Laboratory of Ideas”, *Theory, Culture and Society*, vol, 29, no. 7/8, pp. 372–398.

<sup>6</sup> On the nature of this strife, see A. Heller, “What Went Wrong With the Concept of the Beautiful?”, *Aesthetics and Modernity: Essay by Agnes Heller*, ed. J. Rundell, Lanham, MA, Lexington Books, 2011, pp. 29-46.

<sup>7</sup> See for example T. Cowen, *The Great Stagnation*, Penguin Group Kindle Edition, 2011; R. J. Gordon, ‘Is U.S. Economic Growth Over? Faltering Innovation Confronts the Six Head-Winds.’

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*National Bureau of Economic Research (NBER) Working Paper Series*, August 2012.  
<http://www.nber.org/papers/w18315>

<sup>8</sup> C. I. Jones, “Sources of U.S. Economic Growth in a World of Ideas”, *American Economic Review*, vol. 92, no. 1, March 2002, pp. 220-239; M. Mandel, “The Failed Promise of Innovation”, *US Business Week*, June 3, 2009; P. Murphy, “Discovery” in eds. P. Murphy, M. Peters, S. Marginson, *Imagination*, New York, P. Lang, 2010; P. Murphy, “The creative block of the contemporary research university and the collective imagination”, *Selected Papers of Higher Education Creativity Conference 2012*, Chengdu, Sichuan University, 2012, pp. 7-21; P. Murphy, “Beautiful Minds and Ugly Buildings: Object Creation, Digital Production, and the Research University—Reflections on the Aesthetic Ecology of the Mind” in eds. M. A. Peters, T. Besley and D. Araya, *Handbook on Knowledge Economy, Education and Digital Futures*, London, Routledge, in press.

<sup>9</sup> S. Arbesman, *The Half-Life of Facts: Why Everything We Know Has an Expiration Date*, Penguin Kindle edition, 2012, observes the short half-life of the true knowledge produced by modern science. For example, a 2002 French study showed that half of what physicians once thought they knew about liver diseases proved to be either wrong or else obsolete after the relatively short span of forty-five years. The philosopher of science Karl Popper argued that the method of science was falsification. In light of that you might think science is doing the right job. But in fact a lot of science is simply uncorrected falsehoods rather than true knowledge that is awaiting improvement through the mill of falsification. In 2005, the physician and statistician John Ioannides observed in *PLoS Medicine* that much biomedical research is simply flawed. He concluded that studies were less likely to be true when they were small, when the postulated effect was weak, and when there were conflicts of interest or fierce competition to publish in a field. Add to this then in 2011, the study in *Nature* that reported on the work of a team of researchers who over a period of 10 years had been able to reproduce the results of only six out of fifty-three landmark papers in preclinical cancer research. C. G. Begley & L. M. Ellis, “Drug development: Raise standards for preclinical cancer research”, *Nature* Volume 483, 531–533, 29 March 2012.



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<sup>10</sup> N. Eberstadt, *A Nation of Takers: America's Entitlement Epidemic*, West Conshohocken, PA, Templeton Press, Kindle Edition, 2012.

<sup>11</sup> In the post-modern era, employment in research and development per capita in OECD countries grew markedly. It tripled in West Germany and France and quadrupled in Japan between 1965 and 1989. From 1994–2008, GERD (gross domestic expenditure on R&D) as a percentage of GDP rose from 2.1% to 2.3% across the OECD, from 2.4% to 2.75% in the United States, and from 2.6% to 3.4% in Japan.

<sup>12</sup> On the diminishing real output and declining intellectual power of the post-modern arts and sciences, see P. Murphy, “The Creativity Downturn”, *Knowledge Futures*, forthcoming.