Economics, semiotics, and psychoanalysis as meaning-making: the case for an interpretive science of economics.

‘Economists do not understand that their policies offend people’ (Axel Leijonhufvud)

1. Introduction.

In this chapter I consider how psychoanalysis as an interpretive discipline might respond to the call for reframing the moral foundations of economics.

Indicative of the direction of thought I shall pursue is the thesis put forward in Julie Nelson’s (2016) ‘Husbandry’: a (feminist) reclamation of masculine responsibility for care’.

‘“Husbandry”, she wrote, may be understood as ‘careful cultivation, tending and management, as a complement to the image of mothering. A rich masculine prototype of care may be helpful in re-awakening male responsibility for care, and revitalising the recognition of the necessity of concern and carefulness in all of economic life. The “good husbandman”, in stark contrast to “economic man”, lives a fuller life, acting responsively and responsibly’ (p. 1).[1]

[1] Nelson’s abstract (full text): ‘While extremely important and revolutionary, much feminist work on the economics of care has risked reinforcing an association of care with *only* women and with *only* women’s traditional activities. This article revives the image of ‘husbandry’, understood as careful cultivation, tending and management, as a complement to the image of mothering. A rich masculine prototype of care may be helpful in re-awakening male responsibility for care, and revitalising the recognition of the necessity of concern and carefulness in all of economic life. The ‘good husbandman’, in stark contrast to ‘economic man’, lives a fuller life, acting responsively and responsibly. This article lays out the need for such a rich image; suggests applications to the environment, carework and business management; and addresses some possible drawbacks’ (p. 1).

The work of husbandry, traditionally that of the man, is what ensures the resources needed for survival of the family and household. Nelson's unfavourable comparison with *homo economicus* in turn suggests that we revisit economics's early inception, as the study of the responsibility of polities for the 'cultivation, tending and management' of the community's shared available resources.[2] To conceive of the polity's task as husbandry would be to re-conceive economics in a way proper to its origins. Drawing the parallel between economics and the household, we see that in both, husbandry of resources has the same importance for human life in the matter of ensuring survival. Equally, the significance of husbanding resources is that it reflects, and responds, to the profound anxieties about survival that are provoked by threat to the supply of resources. For members of the polity, just as for members of the family, threat to resources means more than an abstract 'precarity'; existential anxiety is psychologically real. It is the argument for this understanding of the responsibility of economics as husbandry that I outline in the chapter. Living under the existential threat of shortage amounts to living in fear and husbandry, as good economic management aims at averting this threat.

Psychoanalysis affords insights for a revision of economics that aims to re-frame its moral foundations along the lines indicated by Nelson. This revision aims at relating semiotics to a science of economics in a way that is proper to the latter's origins as these extend back to antiquity where the term *ó oikonomos* denotes the steward of the household. In the Early Modern period the Old English 'husband' with its cognates was commonly used to denote

[2] Walsh clarifies: 'The image evoked [by the term "husbandman"] is of the yeoman farmer who carefully nurtured the growth of his crops, the biblical shepherds who watched over their sheep and the nomads who herd and tend their cattle in the Serengeti' (p. 5). Lacking this connotation of care (Walsh, p. 5), *homo economicus* is defined by J. S. Mill as 'a being who desires to possess wealth, and who is capable of judging the of the comparative efficacy of means for obtaining that end' (Mill, p. 137).

this role (as used in Hume's *History of England*), so that Adam Smith's formalisation of political economy had its basis in the social relations and roles of persons as consumers and managers of resources. (2012 [1776]). As such, the 'economic' already rests on a conception that opposes *homo economicus*'s bare interest-calculating with a much-needed human social and, in the hands of Smith, equally a moral dimension that takes full account of human nature and to which psychoanalysis can further contribute.

I develop my theme, aiming first to deflect common misperceptions of psychoanalysis and outline the conception of psychoanalysis I mean, situating it against an all-too-quick glance at the history of ideas. I then present an account of contemporary psychoanalytic object relations theory which allows us to see interpretation as a practice of the un-doing of motivated misrepresentations brought about in the mind to manage affect and in particular anxiety. Thus understood, the retrieval of meaning in psychoanalytic interpretation can come to find a counterpart in social scientific inquiry.

2. 'An adequate psychology'.

In my Foreword to *Economics and Art Theory*, the volume preceding this one, I cited the philosopher Richard Wollheim's remark that 'it must be absurd to bring to the understanding of art a conception of human nature less rich than what is required elsewhere' (Wollheim 1987 pp. 8-9). Wollheim follows this stricture with his memorable characterisation of 1980s psychology, writing that if someone 'tried to live their lives by it [that] would leave them at the end of an ordinary day without friends, lovers, or any insight into how this had come about'. Whether or not psychology might continue to merit this view, Wollheim then was pointing to the need for an adequate psychology as an 'anthropology of the sort that

psychoanalysis provides.'[3] What psychoanalysis provides is an explanation of our semiotic activity of meaning-making when, as is all-too evident, it displays an unaccountable irrationality. Unlike other psychologies, it offers to explain the intractability of unconsciously motivated self-deception when, under the inevitable influence of affect, we apprehend each other and the world.

As with the understanding of art, so also with understanding the economic: Wollheim's remarks apply equally to economics. If we are to understand the economic life of human beings, their reasoning and decisions in pursuit of resources, and in particular if there is to be insight into the moral dimension of economic reasoning, such a revision requires an adequate psychology of the sort that psychoanalysis provides. Accordingly, psychology in what follows is to be broadly conceived, as a psychology of the whole life of the individual subject living in a world of culture. The 'subject' is a human being, hence embodied, and 'culture' is conceived along anthropological lines, as a social world of individual subjects engaged in, and by, and through, their psychological and material relations with each other. These relations are not just, or even primarily, to be conceived extensionally, in sociological or economic terms as relations of sociality, power or production. Humans are necessarily related to one another, not just through the types and degrees of mutual dependency needed for survival but in a way that is both psychological and conceptual. Our understanding of ourselves as persons requires a concept of personhood that includes a recognition of our necessary relation to others as beings like ourself, whose part in the relation alters our sense of self in ways we cannot anticipate, and often cannot discern. Relations between humans are

[3] Wollheim (1987) pp8-9. The psychology that Wollheim castigates for its paucity of insight was quite likely the cognitivist model that grew out of Aaron Beck's re-working of psychoanalysis as a cognitive-behavioural theory (see Gipps 2017).

thus constitutively affective – they involve our feelings and those of others and, as I shall conclude by emphasising, are fundamentally relations of mutual interdependency. This conception is what informs the psychology of psychoanalysis in its post-Freudian development as 'object relations theory'.[4]

3. 'Psychoanalysis'.

Psychoanalysis both produces and is produced as a complex tradition of critical thought – originating with Freud and his contemporaries while having antecedents in earlier traditions – that is now just short of a century and a quarter old. Since its inception it continues to authorise and institutionally embed its own distinctive practice of psychological treatment. Psychoanalysis now is centrally a theory and practice of critical self-reflection in an ongoing interpersonal or collective interaction. It involves careful observation of the mental and behavioural phenomena on which it bases its metapsychology or theoretical account of the mind.[5] Both the theory and practice of psychoanalysis have evolved under an overarching cultural conditioning in many directions. It is an ongoing cultural phenomenon whose appearance in culture reflects its uptake, reception and naturalisation into different historical and cultural contexts.

'Psychoanalysis' is then not be taken to refer to any one school or tradition of institutional psychoanalysis. There is a profusion of many different schools and discipline-specific

[4] Wollheim's arguments for the pre-eminence of Kleinian psychoanalytic theory as the most adequate psychology are largely ignored by both analytic and Continental philosophy as well as by institutional psychoanalysis itself.

[5] Metapsychology is the theoretical psychology of psychoanalysis; its philosophical origins supply many of psychoanalysis's theoretical assumptions and operative concepts and are reflected in its theoretical structure. On some accounts, psychoanalysis as theory and practice together naturalise the philosophical conception of the mind owed to Kant, and later German idealism (see e.g. Gardner 2012)

methodologies, owed both to the propensity of psychoanalytic theorising to mirror its environment, and to the frequent subordination of intellectual standards to doctrinal and other hegemonic influences, which themselves stand in the way of critical appreciation of this fact. Some philosophers (but fewer psychoanalysts) have recognised the need for any psychoanalytic school to show that its theoretical base is adequate on grounds that it does not itself supply, if it is to avoid the imputation of being caught in a hermeneutic circle of merely internal self-justification. In this chapter I will not deal in any detail with such developments and variations in psychoanalytic thinking, however attuned to current cultural concerns these may claim to be. Instead, taking the view that the overall history of its development is crucial to understanding any claim made about it now, I shall consider two defining moments of tradition. The first is the inaugurating one that is Freud's original economic 'theory' of the mind, the underlying conception of mind as a self-regulating energic system continuing to inform and structure psychoanalytic explanation. The second, in direct line of descent, is the school of object relations.[6] This was developed in the British Psychoanalytical Society in the decades after Freud's death in 1939, and is owed to both to the Independent Group of the Society, and to the work of Melanie Klein (hence the eponymous 'Kleinian object relations').[7] Object relations theory builds on the original economic conception by shifting the focus from energy-management to affect regulation and, in particular, to affect arising through human relating. The mind regulates both quantity and quality of affect through altering the representation of this, through the activity of is what is called unconscious phantasy formation. I return in sections 7 and 8 to outline this theory and to how it

[6] The metapsychology of object relations theory draws in particular on Kantian and Hegelian thought. While Klein probably derived the German idealist structure implicit in her theorising from her (German-speaking) analysts, Karl Abraham and Sándor Ferenczi, Ronald Fairbairn was explicitly influenced by his study of Hegel. Wilfred Bion (1962) drew on Kant.'s thought. More generally, German idealism was, through the British Idealists, part of the intellectual currency between thinkers in philosophy, psychology and theology.
[7] For the Independent Group on object relations theory see Fairbairn 1963, Winnicott (1958), Kohon (1986); for an introduction to Klein's work see Mitchell (1986) and Sayers (2000).

contributes to my argument that psychoanalysis and economics continue to share a central preoccupation which governs the meanings humans attach to their decisions and actions.

4. Force and function.

I shall begin with a return to origins, where psychoanalysis is principally perceived, and to a limited extent was conceived, as an individual psychology. Here its evidence base is primarily with the interpersonal situation of the clinical setting. A number of steps are therefore needed to support the claim that psychoanalysis, as the broader type of psychology needed for social science, can explain how the deep essential connections between persons are what underpin and make possible social meaning-making. A first step is to show that Freud's thinking, when its nineteenth-century origins are understood, supplies the argument with sufficiently convincing grounds. Psychoanalysis as conceived by Freud rose from his enquiry into the un-understood determinants of neurotic symptoms of his patients, and his thinking and writing betray the underlying influence, as noted, of philosophical ideas of the mind in common currency.[8] These Freud took over into a naturalistic interpretation, under which the mind was a directively organised living system whose goals are to persist and maintain itself within nature and against natural forces. Prefiguring psychoanalysis itself, the early theory was developed by Freud in correspondence with his friend Wilhelm Fliess, and only posthumously published as *A Project for a Scientific Psychology* (Freud 1950). In this pre-psychoanalytic theory, Freud formulated the idea of a mental 'apparatus' that must preserve an internal milieu to both receive and buffer the incursion of organic forces from the

[8] Freud acknowledged very little of what he inherited from Kant and Hegel, and before them Spinoza (who he did not read but whose influence he recognised). Although his early interest in philosophy waned he continued to read contemporary German philosophers, including Nietzsche, though Schopenhauer is the only near-contemporary philosopher he acknowledges.

environment, and store and manage their energy so as to be available as the driver of bodily and mental activity. Mind was thus conceived as an organismic system, having a material realisation in the human body, susceptible of functional analysis in terms of its constituent parts. Force, alongside other equivalent terms employed by Freud such as energy and 'quantity', has a pivotal role in this early theorising, combining the original Newtonian sense and prestige of a quantifiable aspect of nature, with the displacement of vitalism in favour of the rise of organismic analysis.[9] This was not mere nineteenth-century scientism: by the end of Freud's life this organismic approach was about to come into view in the more general form of systems theory.

Freud then abandoned this early attempt at a scientific psychology in the *Project* as (in the natural scientific terms it employed) unable to supply an explanation of the principal question that he needed to address, the nature of consciousness and the possibility afforded there for unconscious thought.[10] However, the model itself was not abandoned by Freud; the *Project*'s thesis of mind as an apparatus functioning in the service of psychical equilibrium was later to be hailed by the behavioural scientist Karl Pribram (1962) as the 'Rosetta Stone' of psychoanalysis itself. Incorporated into psychoanalytic theory, it contributes to Freud's economic theory of the mind, so-called, in the form of the 'energetic' theory of repression. It then remains as an underlying conception in the later theory of psychic defence which became definitive of psychoanalysis.[11] As a central plank of psychoanalytic psychology,

[9] It also displaced and replaced the un-theorised notion of *vis viva* on the one hand, as well as Aristotelian teleology, with what later became 'Galilean' causal explanation in the natural sciences.

[10] Consciousness, as a concept inherited ready-made from philosophy, needed to be dealt with as a determinable concept of which one of the determinations was the 'unconscious'; condensing both psychology and biology onto the same, shared conceptual framework, would have supplied Freud with the equivalent of an *Aufhebung* to an overarching concept of a teleological system, resources for developing which were unavailable intellectually to him, buried deep among the arcana of Hegelian and post-Hegelian philosophy

[11] Psychic defence refers to the movements and adjustments of content made in the mind (operating under the 'Pleasure principle') to avoid or to minimise feelings of anxiety, the term Freud would eventually settle on

Freud's economic conception continues to be definitive of the mind, underpinned by the initial organismic model formulated in the *Project*.

5. The economic conception of the mind.

What is sometimes called Freud's 'economic theory' of the mind is usually taken to refer to the theory originating in the *Project* which formed the basis for the first theory of psychoanalysis, later superseded, which explained the unconscious and repression in energetic terms.[12] However, throughout his writing Freud continued to employ the term 'economic', although making no connection to contemporary economic thought itself.[13] As infrastructure of the psychoanalytic theoretical model of the mind, it is the *Project* that supplies, generically, the idea of an economy, conceived functionally as a self-managing system for the production and management of energy from resources. Force, reappearing in psychoanalytic theory as, variously, 'psychic force' and 'affect', is then the concept that bridges between the *Project's* economic organisation as a system for managing quantity of energy, and the psychoanalytic conception of the mind.

This foundational assumption continues to supply psychoanalytic theory with assumptions about the functional organisation of a self-contained system to receive, store, buffer and regulate resources of what Freud called initially psychic force and which he then equated with affect as the quota or amount of force invested in a thought.[14] On this model we see that

for the affective state of *Unlust* as the obverse of *Lust* or (psychic) pleasure. Anxiety is anticipated in the *Project's* notion of 'tension' in the mental apparatus as equivalent to *Unlust* as 'unpleasure'.

[12] See entry in Laplanche and Pontalis (1973)

[13] Freud's intellectual interests were extremely broad, though largely formed towards the end of the 19Cth century. He had, pre-psychoanalysis itself, come across Smith's *The Wealth of Nations* (see letter to Silberstein August 1879 (Freud 1992 [1879]). It is an intriguing fact that psychoanalysis arose, in Vienna, contemporary with the rise of the Austrian school of economics and its turn to methodological individualism.

[14] Lying at the origin of psychoanalysis, this conception precedes Freud's 'official' economic theory of the mind.

management of resources for energy, and for their pursuit, regulation and conservation, is intrinsic to the human being as an embodied subject. Man is a natural creature that both thinks, and experiences affect; moreover, this creature does these things in a natural world that is at the same time a social one. It is in that social world that economic activity, and economic thinking, are to be understood in terms of the 'rich' conception of human nature afforded by psychoanalysis. I shall suggest that, as understood in these terms and as based on Freud's economic conception of the mind, psychoanalytic theory can supply economic theory with a way to connect the significance of construing life in economic terms with analysis of the human beings that live it, which takes into full account their psychological motivations, fallibilities, and fears.

In psychoanalysis's long evolution then, this broad conception of mind as an economy has not been discharged but persists in one form or another. The conception of a self-regulating mental apparatus, refracted through the theoretical picture of the mind inherited from German idealism, forms the basis of Freud's definitively psychoanalytic conception of the mind as governed by the Pleasure and the Reality principles while directing rational cognition and action towards satisfaction of wishes and of needs, under the constraints imposed by reality. These constraints are both natural and social; the latter are the more significant for Freud, being the constraints of societal prohibition of uncontrolled gratification of sexual wishes. For Freud, the Reality principle merely effects a necessary detour in the ultimate aim of the organismic mind, which is the gratification of its desires and by the same token the avoidance of the un-pleasure of their frustration. In this, the early version, psychoanalysis already tells us that in the mind nothing is what it seems: appearance in consciousness is deceptive, being the product of the misrepresentation of wishful desire as rational intention. The work of

interpretation, as Freud conceived it, was to undo the misrepresentation and disclose the underlying affective state of mind.

6. Affect and anxiety

When Freud posits the idea of the mind as an 'economy', then, it is an economy of affect.[15] This is the conception of mind that runs throughout psychoanalytic psychology: that of a self-regulating system operating according to two constitutive principles. One, the Reality principle, is directed at ensuring survival in the real world. But the other, the Pleasure principle, is directed at protecting mental equilibrium and continuation of mental functioning in the face of disruptive anxiety. Here we see a theoretical shift from affect equated with psychic force, to affect now mainly equated with anxiety. The initial functional organisation of mind conceived in the terms of biology and organic force has been condensed onto the idea of the mind as an economy of affect organised around the defensive mitigation of anxiety, now seen as the principal psychical presentation of forces threatening to overwhelm the mind's equilibrium. Here as with much Freudian thinking, the old theory is not abandoned but is assimilated, not entirely consistently, since affect is now equated with both force's felt excess as increased 'tension' and its failure to be adequate to the maintenance of psychic equilibrium.[16]

[15] No reference is intended to the differently motivated 'affective economy' (Ahmed 2004).

[16] Here as elsewhere Freud is operating a 'logic' owed to the disputed philosophy of identity. Despite the monolithic presentation of Freud's work, psychoanalytic theory is far from architectonic. Freud deploys three signature devices for ensuring the appearance of an architectonic for his theorising and hence an imperviousness to critique of his theory, while at the same time never discharging redundant or contradictory claims: conceptual malleability with ongoing shifts in meaning and adaptation of key terms' usage; outright equivocation under the umbrella of the philosophy of identity; a practice of performing condensation 'onto' rather than analysis 'into'.

With the model now re-worked in psychological terms as a system for managing, controlling and defensively disposing of anxiety, the psychoanalytic theory of defence and its mechanisms comes to be articulated. To serve the Pleasure principle the mind's apparatus disposes of what are called mental or psychical defence mechanisms; these include the transformation of latent unconscious wishes into manifest dream content, where unacceptable wishes are either disguised within the dream narrative by acquiring other features (condensation) or disconnected from the narrative to become peripheral to it (displacement). In waking life these become, in approximate correspondence, the principal defence mechanisms of denial in which the unacceptable wish is re-presented disguised as its contrary, and projection where the unacceptable wish is re-located to another situation. When these defences fail fully to contain the anxiety in the mind there is 'enactment', the discharge of anxiety in an activity that misrepresents itself as acting rationally on the transformed wishful content that was produced defensively. This is exemplified in the symptomatology of the cases of neurosis, hysteria, phobias and obsessions, that Freud based his psychology upon.[17]

In his psychology Freud theorises the mind as on the one hand a cognitive apparatus for securing resources for survival, on the other a regulatory apparatus for the management of anxiety and for minimising its interference with psychic functioning.[18] This produces a situation in which two mental activities can come into conflict: cognition is the principal activity of the Reality principle, and the imagination becomes the principal mental activity of the Pleasure principle. The imagination is called into defensive activity by re-presenting or re-working mental representations so as to mitigate their anxiety-provoking aspect.

[17] The *locus classicus* for this being Freud's 'tablecloth lady', described in Hopkins (1992).
[18] As noted, anxiety is derived from affect as 'psychic force' in the mental representation of tension.

It is then the imagination, with its power of conjuring up wish-fulfilling images and ideas, that predominates in situations that increase anxiety. In this case the mind moves away from promoting reality-oriented action in ways that are not readily evident since under defensive transformation what appears as rational becomes a front, or misrepresentation instigated by the imagination. It is through these defensively motivated processes of misrepresentation that nothing is what it seems in the mind: appearances in consciousness are deceptive, while behaviours that are symptomatic are the product of a misrepresentation of wishful desire as rational intention.[19]

So far then, we have seen that starting from Freud's first theoretical formulations psychoanalysis tells us that the mind's representations as they appear in consciousness are deceptive, being the result of a compromise between what is wished for and what is real. This was explained in terms of the economic theory emanating from and couched in the terms of its origins in the pre-psychoanalytic *A Project for a Scientific Psychology*. Freud employed the same structure for psychoanalysis itself, but now as the province of two principles of mental functioning whose conflicting aims produce representations by compromise formation. But for this claim to be of more than historical interest it needs to be shown how its thesis both persists and remains intelligible in psychoanalytic theory as it is now.

7. Object relations theory.

It is now time therefore to bring our understanding of theoretical psychoanalysis up to date. The result will be both a continuity with the original, Freudian theory and at the same time a

[19] See Hopkins (1992) for critical exposition of the metapsychology of wish-fulfilment

different justification for continuing to take psychoanalytic theory seriously in its application to the social sciences generally, and to economics in particular. The object-relational tradition, increasingly accepted by social scientists who employ qualitative methodologies, is a development faithful to Freud's original insights. It is also theoretically and clinically powerful in tying anxiety and psychic defence to what in the new theory becomes existential anxiety, the fear of the ego for its own survival. This is important for what will follow in my conclusion; this link to anxiety has a direct connection to a conception of human vulnerability as mutual dependency, which economists would do well to accept as enduringly and centrally relevant.

Object relations theory descends from Freud's exploitation of the tenet of classical German philosophy that a thought had by a thinker relates the subject to an object.[20] Freud applies this to imagining in *Mourning and Melancholia,* the *locus classicus* of early object relations theory (Freud 1917 [1915]). Normally, in the work of mourning, the lost loved person eventually comes to be imaginatively represented as a figure, known to be no longer in the world, that is either loved or hated, and remaining viewed as separate to the mourner while being at the same time held in mind by them. However, when the lost person is ambivalently regarded then mourning becomes blocked: the mourner cannot consciously represent themself in relation to the lost person because the hatred they feel towards them would be an attack on that same person, also held in mind as loved. To protect the loved figure, the melancholic unconsciously imagines them as lodged in or fused with his own self, not separate but unconsciously identified with. Melancholia comes about because the mourner's

[20] Brentano, with whom Freud studied, defined the mental as object-directedness.

hatred, aimed at the lost person, is directed at the mourner themself, producing the self-hatred and withdrawal of interest from the world typical of the melancholic.[21]

In the formulation of object relations theory the imagination is again the central mental resource in psychic defence. We have seen how under the economic theory defensive transformation misrepresents, as rational, what is only a front for something defensively confected by the imagination that lies outside of conscious awareness. The analysis of melancholia shows how the mourning subject's representation of its relations to another and to the world that no longer contains them, are adjusted to reduce or eliminate anxiety and to contain the hatred aimed at the (ambivalently loved and hated) lost person, the subject protects them at the expense of denying the separateness between them and thus, of distorting their own grasp of reality. It is this power of the imagination to install the figure of another within the self, in a more or a less fluid relation of otherness or of identity, that lies at the base of object relations theory. It is a form of imagining which not only produces such representations but also alters them, re-working reality's figures and the subject's relations to them, whether wishfully or defensively. This 'phantasying' is the basic modality of unconscious thought central to the mind's adaptive and defensive capability.[22] By adjusting the subject's relations with others in imagination, phantasying thereby adjusts their affective quality, which is nevertheless experienced by the subject as real; action instigated on this basis has been characterised by Hanna Segal, following Wollheim, as 'acting on phantasy' rather than the 'acting on desire' of the rational, reality-oriented agent (Segal 1992). Some well-known characters of Jane Austen's novels are prone to this: to avoid the pain of

[21] This account if intended here as showing the structure of an object relation; its defensibility as an explanation of melancholia is not under consideration here.
[22] For an accessible account of contemporary Kleinian theory see Waddell (1998) Chapter 1; for phantasy, see Segal (1964) Chapter 2.

rejection the wish for another's love is denied and replaced either by indifference or hostility or by its misrepresentation as a wish for another to receive the wished-for love.[23]

The above account gives the basic object-relational structure of unconscious imagining or phantasy as the representation in imagination of an inner world that is inhabited by figures that are more or less person-like. These figures are figments, supplied by the subject's imagination, but they are endowed with an energetic forcefulness that betrays, or carries over in a process whereby psychic force as affect is captured and given a form in which it can be represented in the mind as a figure bearing and either provoking or receiving, that affect. These inner figures are engaged in the dynamics of a scenario in which the relations are played out between them, under the overarching dominance of the Pleasure principle. The phantasy's content is the outcome of adaptations that mitigate anxiety by re-presenting what is captured in the figures' affectively charged interaction as the emotional relations depicted between them.[24] In melancholia, the psychic equilibrium aimed at is the mitigation of anxiety at the destructive effects of hatred towards the ambivalently-loved object. We see from the example that these relational emotions are not only extreme, but being unconscious and fixed in a defensive structure they are not responsive to real interpersonal experience, so that the figure who is an 'object' for the subject in such an affective relation is not modified by reflective thought.

Psychoanalysis's original economic structure is thus retained in object relations theory. The Reality principle's goal of survival of the individual in the world now becomes a goal of existential survival for an individual person that is both physical, and at the same time

[23] Respectively her novels *Pride and Prejudice*, and *Emma*.
[24] I adopt the view of emotion as an affect that takes an object, hence has intentionality.

psychological and hence closely tied to the goal of maintaining the subject's psychic equilibrium under the Pleasure principle. Here, the inner world of unconscious phantasy still functions as an economy in the broadly Freudian sense of obeying a principle of organisation of the subject's relations to internal figures in which positive and negative affects are adjusted to the goal of mitigating anxiety. At the same time, apprehending the external world is, on this theory, refracted through the situations of the inner imagined scenario whose wish-fulfilling imperative displaces responsiveness to reality. Clues and indicators of the workings of this inner economy of affect are manifested in mental life as the emotions: drivers of human relating that harness either negative affects of fear, dread, hate, and envy or positive ones of love, hope, reparativeness and gratitude. These polarised emotions become central to interpretation and explanation of human interactions alongside more ambivalent emotions of greed, aggressiveness, and possessiveness. In Kleinian object relations theory anxiety nevertheless remains the primary underlying affect, registering responsiveness to the profoundly disturbing experience of existential threat; it is ultimately this that the mind as an economy of affect responding to the pleasure principle, is organised to manage and mitigate through the misrepresentations supplied by phantasies.[25] The work of psychoanalytic interpretation is then to undo the misrepresentation and disclose the underlying affective states of mind.

8. Interpretation.

To make a case for an interpretive science of economics to which psychoanalysis contributes, more must therefore be said about interpretation. Charles Taylor defines interpretation in the

[25] Anxiety now is tied in Kleinian theory (though not in other forms of object relations theory) to the anxiety produced by aggressivity. This more contentious theoretical claim is based on an interpretation of the unrestrained negative effects of excess psychic force in the mind that threaten to overwhelm its functioning.

social sciences as the substitution of a more articulate, clearer, linguistic meaning for one that is either obscure, or only partly-articulated, or yet to be articulated (Taylor 1971 p3). Thus understood, interpretation encounters what is a general problem for explanation in the social sciences is the problem of scale, the conundrum of the individual and the collective, when the subjective meaning for the individual must be intelligibly connected not only to the intersubjective meanings constructed and negotiated between subjects but to the large-scale collectively held social meanings that do not parse directly into individual ones.[26] Attitudes and emotions attributed to, or detected as arising within social entities, whether communities, institutions, or polities, are neither the sums nor the products of those held by individuals; nor can a connection be manufactured by the prefixing a psychological term with the word 'social'.

This poses an obstacle to both theory and method. William Sewell (2005 pp. 351ff) argues within a Wittgensteinian framework that in social theorising quite generally the scale discrepancy can be accounted for, in part at least, in terms of the complexity owed to the ramified and recursive articulation of the semiotic practices engaged in by individuals.[27] However, this does not eliminate the fact that the hidden meaning to which interpretation is directed in the individual is made inaccessible by psychical processes managing affect by misrepresenting it in the mind, whereas what produces hidden meaning in collective economic thought and behaviour is not only at a different scale but is the product of many complex social interactions, contingencies, and materialities that cannot be computed in

[26] Theories of collective intentionality such as Searle (1983) do not take account of unconscious factors.
[27] Sewell employs a Wittgensteinian 'language game' conception of such practices, the sum of which yields the form of life of humanity, the object of all social study.

rational individual thought.[28] This theoretical difference underlies the methodological obstacle to the social application of psychoanalytic interpretation as a practice.

Psychoanalytic interpretation is defined by a methodology developed through advances in clinical practice. A definitively psychoanalytic interpretation comes from the analyst's 'countertransference', her own self-reflective engagement with her role in the patient's transference to her. In consequence the scope for application of psychoanalytic technique and interpretation outside of the consulting room is limited. What counts as evidence for unconscious motivation and self-deception is what is said and done by individuals, and what counts as interpretation is what these sayings and doings mean when deconstructed in the terms of systematic enquiry. However, some adaptation can be made for investigative purposes by the operationalisation of ways to identify the instantiation of key psychoanalytic concepts.[29] So operationalised, interpretation aimed at identifying the occurrence of psychoanalytically defined phenomena can be brought within the methodological fold of the experience-near, particularistic social sciences and to some extent can be incorporated into the range of qualitative methods.[30] In such methodology object relations theory's contribution answers to the increasing recognition of psychoanalytic ideas' aptness to the explanation of economic, political and social phenomena, in particular where irrationality on the part of actors is apparent, while also providing interpretive insight of a critical kind into phenomena presenting as rational but where the intentional acting on desire is, as above, a front for acting on phantasy.

[28] These are at a scale that from its essentially particularistic and experience-near nature, psychoanalytic interpretation cannot address without a better theory than it possesses for representing the large-scale in such a way that it becomes object-relational; for this 'internalisation', often canvassed as a mechanism for psychical representation of social entities, remains undertheorised.

[29] Such appraisal cannot include further inferences about individuals' personal history or circumstances; this is 'wild analysis', the imposition of a person-centred speculation about unconscious motives.

[30] See e.g. Armstrong and Rustin (2015), Hollway and Jefferson (2000), Clarke and Hoggett (2009) for appropriate techniques developed for psychoanalytically informed research.

9. Placing psychoanalysis.

Although psychoanalytic interpretation cannot be applied directly to social actors taken collectively, it can be extended into social enquiry by informing qualitative methodologies when studying the social processes in play and their affective bearing on individuals. Enquiry must take account both of their material basis and of the complexities of interaction, at different levels of analytic resolution, both social and individual, to produce a multi-level critique. Dissecting out the main systemic levels for critical interpretation of collective discourse yields a four-level analysis of a social phenomenon into: the deceptiveness of its presentation; its strategic production; its phantasied object-relational basis; the affect fundamental to it. Once applied to a social phenomenon, the eventual resolution into an object-relational configuration situates the affectivity of the individual's state of mind. Taken together, social and individual interpretation can then be connected in a parallel premised on the common feature of dynamic quantitative adjustment of affective load.

This may be briefly illustrated by considering the collective irrationality surrounding the exploitation of natural resources to the ultimate detriment of humanity. The psychoanalytic perspective suggests a parallel between on the one hand the contrast between cornucopianism and extractivism as modes of capitalist motivation and on the other, the splitting of the infant's perception of the mother who is experienced either as an ever-giving source of goodness or as a locus of badness that withholds that goodness.[31] In parallel to Kleinian psychoanalytic theory, where splitting into good and bad is a defence that significantly

[31] Postmodern political writing has long been home to such parallels, in particular with Lacanian concepts and claims; more recently, postmodern critical writing has turned to the 'economy' as 'moral, 'libidinal' or 'affective'.

determines the individual's perception of their own world, we see a collective splitting of the world of resources into the ideally good and the vilified bad. This indicates a collective failure to grasp the reality of nurture and of nature as a finite resource, motivated by denial of what that fact represents – the total dependency of each individual on the availability of resources.

For parallels such as this to be other than suggestive, a conceptual connection is needed between economics and what can be determined critically and substantively by interpretation that calls on psychoanalytic theory. Here a multi-level analysis would identify, at level one, the social institutional deception and disingenuousness directly motivated by collective greed and struggles for power. Behind this lies the second level of complex strategic motivation that is the proper object of critical social theory. It also includes interpretive methodology (described in section 8) to identify collective phantasies shared and promulgated by semiotic practices; these place actors in affective relations and create socially produced emotions. Thus, the presentation of economic projects as opportunities for investment that bring rewards either as the something for nothing of cornucopianism, or as the triumph of extraction over a recalcitrant Nature, harnesses investors' greed both collectively and individually.[32] But for these strategic manoeuvres to engage individuals in collective phantasies these must be such as to achieve representation at the level of individual phantasy, which is as we have seen object-relational. Hence, the individual must be presented with an external reality that can be internalised into an imagined state of affairs not just augmenting the individual's interests as a rational calculation of large consequences, but as meeting their wishes and needs in terms of their affective relations to objects. For a collective phantasy to be effective, in being internalised in the stronger psychoanalytic sense, its content must be apt

[32] Discussion with Sarath Jakka and William Sewell has helped develop this point.

for adoption as an internal figure to which the individual is in relation. The paradigm case in psychoanalysis is the super-ego, the internal figure that represents the internalised rules and prohibitions of society, but the cosmologies of anthropological study are replete with such figures, and in the present example that role is filled by Nature herself.

Psychoanalytic psychology has much more to say, that cannot detain us here, about how forming and internalising such figures comes about. The key point here is that object relational analysis can make room for interpretation in social science to be brought to bear psychoanalytically on individual thought. It provides a theory of processes in which a complex state of affairs that the individual thinker cannot compute into veridical representation as rational desire, can nevertheless be condensed down into (or onto) a single figure that can assume the role of object to the subject. Psychoanalytic theory of such processes opens the way to a critical scrutiny on the impact on individual phantasy-formation of a social world analysed, as above, in terms of power, acquisitiveness, and interest.

10. Possibilities for critique.

Freud's patients' symptomatology shows the apparently rational subject acting to achieve goals, seemingly rational or frankly irrational, conceived through a distorting contingency imposed by the unconscious imperative of satisfaction of wishes that are inaccessible to consciousness.[33] Psychoanalysis has its own theory of an invisible hand that derails rational action; the unconscious mind as invisible hand presents wishes as apparently rational desires, and constructs defensive misrepresentations of the subject's relations to others. All this distorts reality for the subject, whose attempted actions are constantly off-target.

[33] Often, but in analytic philosophical terms misleadingly, termed 'desires'.

Psychoanalytic theory provides an account of why, and how, this occurs and how interpretation can in principle reveal the operation of thought processes mediating misrepresentation, that can be applied to critically explaining the choices of individual economic actors. It thus offers a purchase on actors' irrational choices when acting against their own interests, as well as a critical perspective on the extent to which the concept of interest is adequate if based on seemingly rational behaviour and choices.

In economic activity as in all social affairs, the intervention of hidden factors impacts on the rational economic actor whose management of resources is conducted through the refracting contingency of unintended consequences in which the activity of individual and collective actors is perpetually derailed. These are features of the system's own functioning which are not only undetected from the complexity that they operate within, but are systematically undetectable because self-concealing. Here, psychoanalysis points towards a critique of theoretical adequacy in the integration of the systemic uncertainty arising from unintended consequences, in the social field of multiple semiotic practices, whose articulation is compounded, and confounded by bounded rationality, uncertainty, semiotic mis-matches and bias. Sewell has dubbed economics 'the science of unintended consequences' and as such a science, economics might well be judged inadequate to the phenomena to the extent that economics finds itself unable to account for operations of an invisible hand that are highly consequential. In the case of economic actors, unintended consequences arise not only from extraneous social and physical causes but by processes that arise, self-produced as part of a hidden systematicity in social adjustment in the practice of economic theorising.

At this juncture the further critical step of reflexivity comes to the fore. The figure of the invisible hand is a theoretical idea we can also use to read economic theory 'against itself', in

two ways. First, to show how psychoanalytic theory and interpretation enrich economic theory and deepen its reach, the psychoanalytic invisible hand can be used in the explanation of economic actors' irrationality to 'flesh out' *homo economicus* back into a sentient human being motivated by feelings and needs. Here, it can provide more depth, nuance and verisimilitude than the cognitive-behavioural psychology of behavioural economics.[34] Second, it can be employed in an immanent critique of the construction of economic theory, whose theorists are at the same time social actors engaged in the semiotic practice of economic theorising, for whom the invisible hand is at work in the self-regulation of their own thoughts and actions . A psychoanalytic purchase can be got on the unconscious factors at work in the social construction of economic theory through the critical interpretation of what appear to be but are not rational choices on the part of theory-making actors.

11. Economics as interpretive social science

The argument for an interpretive science of economics invokes interpretation directed at the human behaviour that is studied and at economic thought and theory. An interpretive economics is constituted as a critical theory whose task is to show how economic behaviour, and economic theorising itself, respond to and reflect meanings and motivations that are hidden. For policy-makers too, the importance of an economics that is an interpretive discipline is that it offers access to this domain of systemic and motivated concealment. The lesson from psychoanalysis is that the rationality of *homo economicus*, as well as of the abstraction of economic theorising quite generally, is not only more apparent than real, but

[34] Accordingly, psychoanalysis can work within or alongside economic theory to explain the economic activity of individual actors, although the caveat about psychoanalytic interpretation remains: it cannot be employed outside the small-scale setting of, at most, the group and so not to the larger collectivities over which economics generalises.

that specifically psychoanalytic interpretation is a methodology informing different techniques for discerning and tracking anxiety and the defensive strategies and misrepresentations that are mounted against it.

There are other schools of psychoanalysis; furthermore, the 'economic' itself is in continual re-definition.[35] In starting from Freud's own economic conception of the mind and the assumptions he shares, if only implicitly, with Smith, I have presented only one pathway for incorporating a psychoanalytic perspective into an interpretive economics. As presented here psychoanalysis shows that what lies behind the appearances is the human condition of basic vulnerability to the harm of unmet needs on which economics' foundation rests. To expand on this, I take up one final thread, suggested by Alasdair MacIntyre's evocative characterisation of human beings as 'dependent rational animals' (MacIntyre 2009). As I noted at the outset, Nelson's argument that husbandry as 'careful tending and management' is a masculine equivalent to maternal care implied a return to economics's moral foundations. Her feminist argument can be broadened into one that applies equally to all human beings as necessarily involved in relations of care and dependency. In Kleinian theory the infant, dependent on its mother, will follow a trajectory of maturation into adulthood and agential self-sufficiency, and there are very evident ways that early upbringing can prejudice agential capacity and frustrate a mature interdependent dependency. Such mature dependency is at the same time the vulnerability of the adult: we are all interdependent through the universality of human need. It does not rest with philosophers to draw attention to this as the natural condition we live under: we are all dependent on others throughout life for cooperation and

[35] For instance, Karl Polanyi's economic market model of transaction, with Carl Rogers's transactional analysis as its dynamic psychology (Keir Martin, in discussion).

collaboration, for nurture and care, and for life itself through the availability of the resources to meet our vital needs, both bodily and psychological.

This final consideration points to a direct connection between the economics of the polity and the economics of the mind. The economics of the polity can support or can threaten that of the mind: insecurity, precarity, violence and unpredictability all provoke negative affects, from anxiety and fear to dread and despair, and all these feed into the vicious circle of cognitively-disruptive and defence-provoking effects of threat to agentive goals of persistence and survival. Axel Leijonhufvud's remark standing at the beginning of this chapter, that economists' policies 'offend' people can remind us that 'to offend' means, among other things, 'to harm'. Economic conditions that threaten resource-availability increase anxiety, all the more so when individuals are pressed by necessity into a position of dependence for their vital needs, defined as that without which the individual incurs serious harm.[36] So harmed, people become less able to act effectively in a reality-oriented way; they are pushed into a regressive state of body and mind where an imagined and idealised future is marshalled against an unliveable present, and they become prey to those who promise magical solutions. To the extent that economic thought and its policies do not take account of these facts, they create harm in the sense of creating such threats and bringing about pressures and harms that are both material, and psychical in threatening thinking capacity to the point of overwhelming it.[37]

[36] I take this formulation from David Wiggins's 'vital need' ((1987)

[37] This is all the more so when economists become complicit in and do not challenge the machinations of the political actor who intuitively understands that manipulating the external economy is the royal road to manipulating the internal one, but whose calculations are themselves pregnant with unintended consequences.

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