Cognitive capital and real value currency

Human work rose to meet the need to change natural resources in products to be used. Earth and all there is on it are in common. There are two production factors: natural resources and work.

With time, people specializes in the job they are more capable of doing. With the division of labor, products exceeding the producers' requirements are exchanged with other products and become goods. Exchange was first through barter subsequently by using certain goods accepted by everyone as medium of exchange. That's how money was born. The first money was therefore a goods. Then currency started to be used as a kind of money. The first currencies had intrinsic value: their value was incorporated in the material the same currencies were made of.

The acknowledgement of the ownership of natural resources (first the earth and then the whole of the resources in it, then the exploitation rights) and the difference between product exchange value and the value of the work necessary to produce them (surplus) form the capital. From then on, the production factors become three: natural resources, work and capital.

Income, a kind of profit stemming from the unproductive use of capital, originates by minting currencies with a higher nominal value than the real one, and even more with the issue of legal tender currencies.

So, the division of wealth in industrial economy is based on the trinitarian formula of wage, profit and income. Those holding capital either they invest in the enterprise they manage and organize or they exploit the capital to obtain an income, while those with no capital can only exchange work as goods. Production factors are mutually indispensable: without natural resources you can't transform anything; without labor you can't use production means (capital); without production means you can't work to turn resources into products. The division between wage value and profit value is regulated by the relation between quantity and quality of knowledge of those investing, and energy and time of those performing work. In this situation, the product is goods exchanged outside the relation between capital and work involved in its production.

The taking away of value from work is caused by the exclusion of goods from the control of the work concurred to the production and use of legal tender currency in exchanges. In fact, there is no way workers can determine the exchange value of goods and the constant increase of monetary mass reduces the purchase power of currency, the value work is therefore acknowledged.

The technological progress of the last decades has pushed those holding capital to believe that the automation and the computerization of production processes could substitute great part of work, therefore freeing capital and production from work and profits from wages. This paradigm caused a further increase of the taking away of value from work. According to the same paradigm, Those employing capital, either theirs or from third parties, in an unproductive way, felt authorized to expect greater incomes. The apex of this paradigm stands in the progressive securitization process of economy. In this process, characterized by the supremacy of the monetary capital (that some call pseudocapital) on material capital, less than five percent the monetary mass is employed in real economy (production, trade, services), the remaining part is employed in financial operations where currency is exchanged with securities and other currencies. Since legal tender currency is the instrument for securitization, who issues this currency has conquered absolute hegemony on finance and consequently on economy, politics, information and on the entire society.

This paradigm is wrong. In fact, as the technological progress hasn't modified the independence relation of goods from work, meaning goods have always been exchanged outside the relation between capital and the work employed for its production, the data processing revolution and the spread of knowledge have led productive forces to a level of development from which production can't be set aside. Not only. Since in post-industrial economy benefits derive essentially from knowledge and creativity, the part of work expressed through knowledge assumes also the task of managing the productive processes that used to be performed by those using production means. The workers' knowledge is a sort of capital, the so-called cognitive capital.

The above gives rise to a reversal of the paradigm according to which post-industrial capital requires always less work. Really, the more knowledge is spread, the more production requires it. And since knowledge isn't a good exchangeable outside the relation with the worker but is indeed a production means, therefore (cognitive) capital incorporated in the same worker, the more production and generally economy need knowledge (cognitive capital), the more the other production means (material capital) need work and depend on it.

But, an even more important consequence comes from the new paradigm. In industrial society, those holding and investing monetary capitals organize and run the enterprise, while work instead is an unconnected production factor. This functional hierarchy determines the subalternity of work as regards to capital. In the post-industrial society, who holds and invests capitals isn't able to govern production processes, while who performs work is able to organize and run the enterprise. Having taken the tasks formerly carried out by those investing material capital, those performing work now, in facts, invest their own cognitive capital and therefore can and must take part to the ownership, the risks and the results of the enterprise with that capital.

The monetary capital doesn't want to accept the effects of this paradigm. It would be the end of its hegemony. It manages to avoid it with temporary employment and, above all, once again, with legal tender currency. Temporary employment causes a higher atomization of work, stifling the identification of the worker as essential part of the social-economic organization (the enterprise), this way reducing the organizational mimesis and demotivating the worker's future interest. Legal tender currency imposes work an exchange value determined by the competition, on the work market, of other people that can't allow themselves to choose which currency to be paid with. This way, with legal tender currency, they keep taking away value from work and they prevent the worker from taking part to the ownership and management of the enterprise.

The only solution is an agreement among the workers. They can decide, in their own interest and in the interest of the whole society to ask to be paid with a real value currency instead of the legal tender one. This agreement provides the unity of the workers. The unity of those disposing of legal tender currency issued by banks can and must be opposed by the workers and their unity, with a real value currency, representing the work they undertake to perform, a currency issued on their behalf, the work currency.

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