



# Unflat Ontology the Poverty of Democratic Materialism

**Vadim Kvachev**

*Associate Professor*

*Plekhanov Russian University of Economics,  
Stremyanny Lane, 36, Moscow, 117997, Russia*

*E-mail: kvachevvg@mail.ru*

## ***Unflat Ontology: Essay on the Poverty of Democratic Materialism***

### **Abstract:**

The paper is dedicated to the problem of flat ontology in philosophy and its relation to the practice in economy.

The author argues that flat economy is based on a marginal utility theory of value and presents hierarchical value chains with concentration of power-capital as if they were flat and all the actors involved were equal. This is the work of democratic materialism, with its idea of radical equality of human and non-human interactions. This perspective, according to the author, should be opposed by the reconstruction of power-capital relations in unflat ontologies of the value-creation process.

### **Keywords:**

Flat ontology, materialism, value chain,  
theory of value

## Introduction: Defining Flat Ontology and Democratic Materialism

In his book *Absolute Recoil: Towards A New Foundation Of Dialectical Materialism*, Slavoj Žižek (2015) writes that the current battles in philosophy are not between idealism and materialism, but between two versions of materialism: democratic and dialectical. While democratic materialism includes a “vulgar” version of materialism “from scientist naturalism to the post-Deleuzian assertion of spiritualized ‘vibrant’ matter,” dialectical materialism is:

...a materialism without matter, without the metaphysical notion of matter as a full substantial entity — in dialectical materialism, matter “disappears” in a set of purely formal relations. Second, despite being materialism without matter, it is not idealism without an idea — it is a materialism with an Idea, an assertion of the eternal Idea outside the space of idealism. In contrast to idealism, whose problem is how to explain temporal finite reality if our starting point is the eternal order of Ideas, materialism’s problem is how to explain the rise of an eternal Idea out of the activity of people caught in a finite historical situation. (Žižek 2015: 72–73)

This crucial theoretical distinction is very important when we are speaking about contemporary materialism. But what is exactly meant under the broad concept of “democratic materialism” and why exactly is it “democratic”?

Recent decades in social sciences have been marked by intense debates followed by the development of a bunch of concepts identified in different terms, purposes, and fields. Although this intellectual movement does not have a singular indisputable designation, it identifies an important change in social sciences. Different theoretical frameworks within this intellectual movement have identified themselves as “actor-network theory,” “speculative realism,” “transcendental materialism,” “object-oriented ontology,” and so on. This broad metatheory is exactly what Žižek identified as “democratic materialism.” The term was adopted from Alain Badiou, who described democratic materialism as a dual structure including a post-modern materialist belief that there are “only bodies and languages” and a broad democratic recognition of the endless multitudes of “communities and cultures, colours and pigments, religions and religious orders, traditions and customs, disparate sexualities, public intimacies and the publicity of the intimate,” which should be recognized and legally protected (Badiou 2005: 20–21). Although Badiou

mostly refers his critique to the postmodern liberal political concept of a “democracy of bodies,” the latter has a direct connection with democratic materialism in philosophy promising ultimate equality of all objects.

In this paper I want to develop an understanding of a substructure of democratic materialism rooted in the modern version of materialism that describes a democratic egalitarian relation between subjects and objects in terms of ontology. This specific version of a philosophy of reality interests me not because its democratic allegations are paralleled in politics, but because this doctrine secretly indoctrinates the justification of global capitalism’s ruthless practices. It presents asymmetries and inequalities as a democratic platitude that coopts multitudes and objects in an endless dance of interactions and interrelations. I will call this doctrine “flat ontology” and examine its implications using three key figures: Bruno Latour, Graham Harman, and Manuel DeLanda.

## Ideology of Flat Ontology

The general direction of flat ontology’s development could be rooted in the so-called turn to things — an attempt to end the postmodernist linguistic turn in sociology and revert the attention of social sciences from symbols to objects — and in the early 2000s developed into an “objective-oriented ontology” — a philosophical concept reestablishing the research field of philosophy. This revolution particularly affected the notion of nature: many philosophers and sociologists identified with the theory were calling for its redefinition and to transform the understanding of nature and matter in the social sciences. However, what interests me most is the ambition to create a new type of ontology.

The ontological turn is mainly based on the work of famous British mathematician and philosopher Alfred North Whitehead’s *Science and the Modern World* (1925), who criticized standard essentialist “scientific cosmology” attributing identities and qualities to objects. Instead, he argued, matter itself is fluid and constantly changing. Bruno Latour developed this intellectual movement in the early 1990s with his book, *We Have Never Been Modern* (1993), proving that the Nature/Society (and thus subject/object) opposition that is always treated like an unquestioned methodological opposition in the social sciences is actually false. This led Latour to the establishment of a new approach in sociology — actor-network theory (ANT), which was later developed by Michel Callon and John Law. Initially ANT was set as an alternative to standard sociological

descriptions of reality mediated by semiotics. Although symbols are usually included in ANT, the pragmatic aspect of the theory referred to a more materialistic understanding of social reality. ANT argues with the traditional sociological division between subjects and objects in social reality and instead proposes to view social reality as an endless network of human and non-human actors that constantly constitute and reconstitute it. Social reality is in actions and connections, not in the essence of some kind of active subject and passive object. This was referred to by Latour as “flat ontology,” because this flexible structure led him to deny the prevalence of any particular actor or human subject. Later Latour introduced a concept of a “parliament of things,” proposing that the society needs to hear not only voices of humans but non-humans as well. These ideas built a solid theoretical foundation for the further development of democratic materialism.

Graham Harman is part of a fuzzy intellectual movement sometimes called “speculative realism.” In the 2000s, the ideas of Whitehead and Latour were reinvented in philosophy in the works of Quentin Meillassoux, Graham Harman, Iain Hamilton Grant, and Raymond Brassier. Although there are major disagreements among these philosophers, they have a common enemy—a philosophical discourse that Meillassoux called correlationism. Correlationism, according to Meillassoux, is “the idea according to which we only ever have access to the correlation between thinking and being, and never to either term considered apart from the other” (2008: 5). This is the direct opposition to the Kantian rejection of the knowability of a “thing-in-itself.” For Harman, this opposition is crucial for building his anti-idealist concept of reality.

To evoke Latour’s sociological theory to make this philosophical point work in social theory, Harman launched the project of object-oriented ontology (OOO), which is, in some sense, is also flat. In his book *Immaterialism: Objects and Social Theory*, Graham Harman (2016) considers any complex social system as an assemblage in which the most important thing is object-object relations. As an example, Graham uses the Dutch East India Company. He formulates fifteen rules on how the OOO should describe reality. The most important of Harman’s divergences with Latour is his replacement of the Latourian “actor” with the “object.” For him the most important thing is the existence of the object, not its activity or agency. OOO is flat in a sense that it denounces human exceptionalism and praise the realist approach according to which the only access we have is a direct access to reality in the form of objects. Objects for Harman are equally valuable and interrelated,

while hierarchies and taxonomies are artificial and obscure the true realist vision.

Manuel DeLanda made a move in different direction in his *Intensive Science and Virtual Philosophy* (2002), although his concept could also be described in terms of flat ontology. He was highly influenced by Gilles Deleuze, especially his work with Felix Guattari, *Anti-Oedipus: Capitalism and Schizophrenia* (1983 [1972]). The Deleuzian project included a new conceptual framework with its own system mostly concentrated around a new form of materialism perceived as a constant production and differentiation in flows of matter. DeLanda uses this systematic framework to work it through flat ontology optics. The specifics of the Delandian view on social reality is determined by his concept of the “individual,” which plays in his theory the same role as the “actor” in Latour’s or “object” in Harman’s theories. According to DeLanda the general mistake of social theory was its descendant methodology, where the totality is described as a real existing entity and then analyzed and separated into smaller entities, up to the individual. He thinks that a better approach would include ascending from individuals to institutions, although he claims that the individuals are the only truly existing entities, while collective entities could only partially influence individuals (DeLanda 2017). DeLanda criticizes the essentialist approach to social reality with its distinction of broad organizations or institutions such as “market” or “state.” Instead he proposes to consider each social process as a flow of particular processes on the lowest (let me say even, the “flattest”) level of interaction. In other words, a Delandian research project assumes a certain level of methodological individualization and deconstruction. DeLanda stands by a “flat ontology, one made exclusively of unique singular individuals, differing in spatio-temporal scale but not in ontological status” (2002: 47). Proving this, DeLanda does not hesitate to borrow his argumentation and examples from the natural sciences.

The reception of a Deleuzian ontology is highly visible in DeLanda’s denial of hierarchies driven by ideas stigmatized as manifestations of idealism. In one of his interviews with Guattari from 1995, Deleuze highlighted that

ideology has no importance whatsoever: what matters is not ideology, not even the ‘economic-ideological’ distinction or opposition, but the \*organization of power\*. Because organization of power — that is, the manner in which desire is already in the economic, in which libido invests the economic — haunts the economic and nourishes political forms of repression. (Deleuze and Guattari 1995: 2)

What Deleuze renounces here, in light of his ontology, is that ideas organize and drive social structure. The social structure itself is organized in a particular way through libidinal desire. Thus, the Deleuzian project rejects what is called “arborescent” thinking and proposes to transform it into a sort of “rhizomatic” perspective. It means that philosophy should reject the notion of totalities and replace it with assemblages. DeLanda adopts this view further, proposing a “new philosophy of society” (2006: 1), probably the most detailed theory of how flat ontology should be implemented in our understanding of society. Delandian theory is based on the same rejection of ideas producing structures, he refuses to recognize totalities. For DeLanda, society is merely a collection of assemblages, manifesting itself in spatially particular interactions and through specific forms of coding that holds these assemblages together with a “stable identity.” This is indeed the philosophic version of Margaret Thatcher’s infamous statement—the pearl in the crown of neoliberal wisdom: “there is no such thing as society.”

Although Latour, Harman, and DeLanda are very different, they are united, and what unites their systems of thought is precisely a flat ontology. Their interpretations of flat ontology are very different, but I think there are some core principles that could identify a common ground behind the flat-ontological discourse and its connection to democratic materialism.

First, their anti-idealism. The main target of critique here is any form of idealism, a belief in the essence of objects, “things-in-themselves.” This includes rejection of any forms of ideas driving social reality. For example, DeLanda denies the Hegelian (and Marxian) notion of totality. As a result, he denies the importance of what in critical tradition is called ideology, a system of ideas organized around social structures. And, as idealism leads to a certain hierarchical taxonomy of objects and subjects based on their relation to idea, flat ontologists replace structure with some kind of inter-related network or assemblage. Flat ontology proposes a vision in which every object is equal because there is no ideal organization of social reality (to which we have direct access) and thus ideas and ideology are irrelevant to it. Social reality is only produced by what is in reality (the actor for Latour; the object for Harman; individuals for DeLanda).

Second, this logic leads flat ontology to anti-anthropocentrism or non-humanism, the opposition to anthropocentrism—the central place given to the human subject in social sciences. The crucial point here is to give an opportunity for non-human actors or objects in order to recognize their role in producing reality. Latour (2004: 4)

calls this an “object-oriented democracy,” which is what is meant exactly by democratic materialism, as I have stated above.

When applied to social sciences, these principles would mean that: We don’t need broad concepts and totalities to understand reality. On the contrary, they prevent us from understanding it establishing erroneous vertical relations where there is only flat connections; we need to resist illusions of idealism because they catch us into a false sense that we don’t have direct access to social reality but rather constantly try to interpret it based on the universe of the symbolic; we should repel the hubris of anthropocentrism and change our perspective in order to see how humans and non-humans are equal in producing reality.

According to classical social theory, we cannot make any judgment on the true nature of objects but we could thoroughly describe its representation in a purely symbolic field (the postmodernist approach) or add to this description its social archeology or diagram (the Foucauldian approach). According to flat ontology, there are no things-in-themselves but also there are no “we” that can perceive it in the subject-object relation. Let me start with the first principle (and then we will logically come to the second one) in order to clarify problems in flat ontology’s relation to idealism.

Being essentially anti-idealist and thus anti-hierarchical, flat ontology disavows vertical connections and structures. “Flat” means exactly what it is: the power dimension is excluded altogether with ideas driving social reality. It seems like flat ontology uses Deleuzian materialism but at the same time purifies it from its critical potential.

Democratic materialism itself recognizes the problematic character of this rejection of ideas in flat ontology. Latour (2014) explains this in his article about materialism and technology: what we used to call “materialism” is in fact “idealistic materialism” because while we think we are materialists, in order to act in reality we use idealistic concept of real things. Latour explains how technology is used in a double sense: as an idea (plan or geometrical abstract scheme — *écorché*) and as a material object. Latour criticizes this idealistic materialism, although he confesses that social theory has not yet invented a “materialistic materialism” that could function as a viable alternative to the one described above.

This problem is crucial for flat ontology. In spite of its severe critique of idealism, flat ontology barely developed a strong materialist version of (social) reality that could overtake the conventional philosophical perspective. Let me put it clearly: many alternative versions of social reality have been developed under democratic materialism, but none of it explained thoroughly how this reality

would function without the thing-in-itself. Rather, most developed versions of social reality are a good explanation of how reality does not work as an assemblage or network of dissociated objects. In other words, using flat ontology we cannot explain or make function what Latour (2014: 268) calls *écorché*: the schematic, idealistic model of constant chaos and entropy. With DeLanda's version of flat ontology the problem is the same. Although, as I mentioned above, when he rewrote the Deleuzian version of materialistic ontology, he excluded from it a totality of "social machinery of Capital," assuming that there is no axiomatic order behind the endless chaotic flow of individual actions.

This controversy might be explained through Žižek's concept of ideology (1989). According to Žižek, modern ideology is an illusion within reality, which helps reality to function effectively. Žižek compares this to the Freudian idea of the Unconscious. According to Žižek, a popular belief in ideology includes a trope about an ideological illusionary dream, which mystifies reality. When a subject is awakening, this dream disappears and he sees revealed reality, *per se*. Žižek argues with this belief, providing an alternative explanation: the true uncovered reality is so traumatic that the subject has to fall asleep in an ideological dream. The Žižekian concept of ideology is thus different from conventional understanding—it is not the distortion of reality that conceals the truth, but the reality itself is distorted in order to hide its traumatic nature: "The ideological is not the false consciousness of a (social) being but this being itself in so far as it is supported the false consciousness" (Žižek 1989: 16). In this case, ideological illusion is a part of reality itself which helps it to function. Otherwise, our social world would have fallen apart because we will no longer be able to act in a social space. The exact reason why flat ontology denies any ideological order behind a reality is because it is ideologically driven.

What if the Latourian idealistic materialism is the perfect example of a functioning of ideology unrecognized by democratic materialists themselves? And what if flat ontology's call for opposing idealism and revealing the "truth" in the form of claiming that reality being nothing more than multitudes of interacting objects with their independence from human agencies is the ultimate ideological demand for hiding the traces of ideology?

Žižek gives an elaborate critique of this problem using Graham Harman's OOO as an example in his chapter of the book *Reading Marx* (Žižek, Ruda, and Hamza 2018). For him, the decentralized assemblage of objects cannot function without proper idealistic illusion ("Spiritual Substance" for Hegel or the "Big Other" for Lacan).



Only in going through alienation in relation to the illusionary Idea, individuals make the “inexistent virtual order” real and thus make society function. We imagine that we live in a completely materialist world yet the illusion of the representation of objects is inscribed in the very social fabric of how we act. Could we at all act if something called “act,” as in democratic materialism, is now under suspicion as something that has no recognition for the multitude of non-human objects and actors?

This directs us to the second principle of flat ontology — anti-anthropocentrism. This is an essential part of flat ontology and its most important practical consequence — a non-humanist version of social reality. Flat ontology argues that the human is only one of the multitude of actors and phenomena that used to be treated as passive objects that also have agency and could become actors. This inhuman ethics require social theory to be sensitive to these non-humans and to include its agency into actual politics.

Latour (2011) developed this in his concept of “mononaturalism.” Latour thinks that the classic humanitarian opposition between “culture” and “nature” ended up, from the one side, in recognition of multiple views on culture (“multiculturalism”), from the other side, in the usurping by scientists the right to produce truth about nature (“mononaturalism”) and thus produce Nature itself. Yet his proposition is to introduce some kind of “multinaturalism” although it is not quite clear how this will function. But what is clear in Latour’s position — his demand for multiple natures to be constantly produced and created by different humans and non-humans in some form of materialistic democracy.

The most problematic thing here is the act of empowering the object itself. Is it not essentially ideological to proclaim that non-humans also have rights and their voices needed to be heard? Put differently, using the words of Žižek from which I started this paper, is flat ontology itself not illustrative of demonstrating how “the rise of an eternal Idea out of the activity of people caught in a finite historical situation”? Flat ontology as a theory is organized as a Latourian idealistic materialist structure, while the far-reaching political conclusions from it are already the embodiments of the Idea behind it — democratic materialism.

The best illustration of this thesis could be provided by recognizing flat ontology as an already functioning Idea in reality. And the best example comes from an unexpected field of knowledge that has for decades already been demonstrating its adherence to principles of flat ontology without actually formulating them. Let us have a closer look at mainstream economics.

## Flat Economics: Unknown Knowns of Mainstream Economic Theory

As the intellectual storm went through the humanitarian sciences, mainstream economics seemed to be untouched by these debates. This could be very easily explained by the kind of self-isolation from social sciences that was preached by economists claiming that economics is not only closer to natural science than to social science (Nelson 2005: 261) but also by economics' sense of superiority over any other social science. This position also reflects the ambitions of economics to become *the* social science, embracing into its research field every social problem.

Many economists not only truly believe this but also perceive most of the debates in sociology and philosophy as irrelevant to economics' research fields. For many years, mainstream economists raised and solved its own problems without any concerns about its own philosophic fundamentals. Moreover, since the rise of neoliberalism, so-called economics imperialism (Stigler 1984: 311) claimed that all the problems of social sciences could be solved by economics' methods and models.

I believe this happened because of the lack of self-reflexivity of economics itself. This could be explained using categories proposed in Philip Mirowski's chapter devoted to defining neoliberalism in *The Road from Mont Pelerin: The Making of the Neoliberal Thought Collective* (2009). According to Mirowski, there are two types of knowledge as perceived by modern economic theory. First, about-society knowledge explains how capitalism and social reality work, while the second, in-society knowledge teaches individuals how to succeed and make money. About-society knowledge is appropriated by mainstream economics and normalized into common sense — and any theory that does not fit into this common sense is immediately stigmatized as useless or abstract or purely theoretical. In-society knowledge is supposed to be the only domain of useful scientific knowledge taught and considered in recognized economic establishments.

Using Žižek's terms, this about-society knowledge of mainstream economics could be identified as "unknown knowns." In 2004 the US Secretary of Defense Donald Rumsfeld gave a speech about possible weapons of mass destruction in Iraq and addressed three types of danger: "there are known knowns; there are things we know we know. We also know there are known unknowns; that is to say we know there are some things we do not know. But there are also unknown unknowns — the ones we don't know we don't know" (U. S.

Department of Defense 2002). Žižek, while analyzing this speech, added a fourth category—unknown knowns. He defined it as follows: “‘unknown knowns’—the disavowed beliefs, suppositions and obscene practices we pretend not to know about, even though they form the background of our public values” (Žižek 2004).

So, what is so crucial in about-society knowledge or, let us say, the unknown knowns of mainstream economic theory? Pierre Rosanvalon (2008 [1979]) very convincingly formulates this as three fundamental beliefs of the “economic ideology”: every form of exchange is equal to market exchange; exchange is an archetype of any social relation; the economy is the practical realization of philosophy and politics. Consequently, the possibility of exchange is rooted in the very fabric of social reality, which is attributed with the concept of value. We only can exercise exchange if we can compare; we only can compare if we can evaluate using the same measure. Students of economics usually learn this in the form of the “myth of barter” (Humphrey 1985), which implies that some prehistoric primitive people exchanged one thing for the other and then invented money in order to make it easier. Although many anthropologists argue that we have no evidence of this economic model in history, the myth itself reflects more an economics mentality than any particular historic reality. The idea of value is presented as the one that is deeply inscribed into social reality and thus very natural. The same goes for the process of evaluation and for exchange.

This is the very core of the unknown knowns of economics. And this is deeply connected with flat ontology’s first principle—the rejection of idealism. Do economics’ unknown knowns not reflect the Latourian idealistic materialism concept? Being ultimately materialist, mainstream economics does not recognize its own idealist materialism based on presupposed axioms about reality—that is, economics’ ideological stance. In the case of the unknown knowns of economics, we have the direct interpretation of reality hidden as common sense, something that was not properly questioned and was doubted for a long time by mainstream economics itself.

The common sense of economic theory—economics’ theory of social reality—is itself a version of flat ontology where actors/objects/individuals are those of the free market that interact in the constant process of market exchange and evaluation. Moreover, just like flat ontology in philosophy, this particular version of flat ontology in economics has the same problem, which was outlined above using the definition by Latour—it has the same idealistic materialistic structure as the plan of the car in Latour’s example. The idea functioning here is different—it is the ideal type of exchange

that lie at the very core of each human interaction (the market). According to this common belief, the market is perfect (strong libertarian version), almost perfect (neoclassical) or the best possible (moderate Keynesian or behavioral economics') model for social interaction. The aim of economic theory and practice is to bring existing social interaction in correspondence with this ideal type.

What is important here are the theories of value, which give the direct drive for a whole architecture of the conceptualization of reality made by economics. Theory of value is traditionally the most philosophical part of economics and the approach to the question of value identifies the deep ideological stances of any particular economic school. Two traditional explanations of how objects become valuable are traditionally rooted in different logics of explaining how objects become valuable. Labor Theory of Value (LTV) is one of the oldest concepts primarily proposed by Adam Smith and then developed by David Ricardo and Karl Marx. Italian economist Piero Sraffa developed the modern neo-Ricardian version in 1960 in his book *Production of Commodities by Means of Commodities* (Sraffa 1960).

LTV claims that the value-creation process is rooted in the production. An object's value could be defined a certain amount of effort and other expenses put into it. When an object in the form of a product is sold on the market, its price is connected with these efforts and expenses. Sometimes it is the labor being acknowledged as the only source of the product value (the traditional orthodox Marxist version), sometimes economists consider some other factors of production to also be a source of value. This is the very important premise of LTV — it is concerned with the “natural value” of objects, of their “true” value. Unless we find this “true” value, we will never solve the problem of fair distribution of the results of production among workers and owners of capital. According to LTV, we could find out where the value is created and pay most of our attention to this target of increasing the well-being of society and rewarding those who work for it.

This was the original project of political economy and, at first glance, it was purely materialist. At least we could say it was materialist in how it was interpreted and transformed the leading economies at the beginning of the twentieth century. In practice, although mostly indirectly, LTV led to a Taylorist organization of production. If value is created through production, it is very important to measure it in order to control the whole economic cycle. The early Soviet project of the “scientific organization of labor” tried to do the same in the planned economy. At some point both projects, faced with an inability to find the true value behind new forms of labor, appeared

in the second half of the twentieth century. This is what Paolo Virno (2004: 22) called a problem of virtuosity: the irreducibility of some creative forms of labor to socially necessary labor time.

However, the ontological perspective here is not purely materialistic and its failure in finding the true value of labor demonstrated it. Marx is traditionally misread in this context by the Marxist orthodoxy. Marx's original idea is a dual characteristic of value as an essence and a value as a form. This is absolutely clear from the very beginning of the first volume of *Capital*: Marx writes that commodities have a double form (Doppelform): a form that is natural or material (Naturalform) and a value-form (Wertform) (Marx 1890: 45). Thus, originally, value is divided into exchange-value and use-value. While the former is exactly true value (in material form, of course), the latter is the illusion of value created during economic exchange. The gap between exchange-value and use-value is the ontological reason for capitalism to emerge, because capital is built on the appropriation of the value (Wertform) emerging dialectically through this gap. The value (Wertform) arises from a natural form, but it is irreducible to it being social, immaterial and relational but at the same time objective.

What the main problem of the LTV orthodoxy is supposing is that the use-value is a thing-in-itself that should be found in an attempt to solve the mystery of value. The truth is that by doing so they inverted Marx. Žižek argues that for many years Marxists and other supporters of LTV tried to find the essence (true value) behind the form while the true task was always to find the "enigmatic form itself" (Žižek 1989: 11): the problem was not to find the true value of Naturalform, but to disclose the work of social Wertform.

As the LTV fell into the heresy of idealist materialism and sank into meaningless attempts at finding the true value in the Naturalform, it developed a very familiar picture: the idealist materialism version of reality with its endless search for Idea (true value). This is exactly why at some point LTV was rejected and replaced by a theory, which, at first glance, was (again) purely materialistic.

The marginal utility theory (MUT) of value was developed in order to oppose LTV and create a different perspective on the process of value generation. MUT by contrast to LTV claims that the value is created in the consumption rather than in the production. Customers willing to pay a certain amount of money on the market create demand for a particular good. The price is a reflection of the (marginal utility) value of this particular good to the customer. Marx would have called this type of value "exchange-value," but MUT rejects the dual character of value itself and thus repels the existence of "use-value" (or value in-itself). The value is created in constant interactions and

exchanges on the free market, driven by demand, and thus there is no “true” value besides the one that is created by market. It means that there are no “fair” wages or “fair” price for goods.

I dare to say that MUT is a version of postmodernism in economic theory. Just like postmodernism, it says that everything is relative, everything is identified through interrelation, symbols (money) and value is a kind of simulacra. MUT effectively shows its performative power on the markets where there are no clear definition of labor inputs and outputs, such as art, creative industry, and so on. For example, the painting of any particular modern artist is worth as much as rich purchasers are willing to give. The classic explanation in MUT is called the water-diamond paradox: in everyday life a diamond is much more precious for you than a glass of water, but if you get lost in desert, the longer you wander the more you value water over diamonds. In other words, there is no true value in the essence of objects; it is always subjective and always identified by the market.

Although there were several attempts to revive LTV and oppose MUT, MUT has remained the dominant theory of value in mainstream economics. And most importantly for me, it is also used in education and business in order to explain a process through which the economic value is gained.

For a naïve observer, MUT at least partly matches flat ontology’s conceptual apparatus. Supposedly, MUT is ultimately flat. Unlike LTV, which always had in mind an idea of value, MUT deals only with the value that is a result of interactions and interrelations — a price (what is called exchange-value in LTV). According to MUT, the desires and actions of humans represented in the market create demand that results in price. In addition, this price is a result of exchange, always understood, as we saw from Rosanvallon, as a form of market exchange between equal entities. This leads us to the following conclusion: in order to please customers, the value chain creates the product, which will be apprehended by them.

In MUT, the price seem to be a result of the networking of a multitude of equal actors (let me in this case use the Latourian term), human (capitalists, workers, managers, customers) and non-human (nature, machines), which exchange what they had for what the other side desires. However, MUT is mostly referring to the formation of price — the external reflection of value. Usually MUT denies any internal (essential) dimension of value, but in this case the question of flatness inside the value-creation process is left unanswered. To explain this, MUT resorts to the help of the neoclassical theory of factors of production. Although factors of production are also used in Marxism and LTV, for MUT this theory substitutes LTV’s teaching

about labor primacy in creating value. Popular microeconomics' version of the theory of factors of production explains that the input of capital and labor is proportional and thus they receive proportional reward for this input. According to this theory, this happens correspondingly to the principles of the flat economy because these relations perceived in input-output terms as if all the system of production is ultimately flat and involves no asymmetries in power and influence.

Economics flatten social reality by equalizing everything, transforming every object and subject into exchange value, attributing price to everything. The understanding of the value-creation process is always peaceful and nonantagonistic: take, for example, the “triple bottom line” concept (Elkington 2018), a theoretical framework developed to identify the influence on “people, planet and profit”; or concept of “creating shared value” that defends a consistency of creating an economic and social value in business at the same time (Porter and Kramer 2006). All these theories are “flat” to the same extent as flat ontology. They always see social reality and interaction as an equally flat reasonable exchange.

Even if sometimes this exchange is to take place, in reality we always deal with the constant antagonism of different actors involved in value creation. Value creation reveals contradictions that we face in order to produce value, and most of this contradiction implies a zero-sum game. The beautiful fairytale of socially and ecologically responsible capital is mostly a lie.

What is missing in MUT and following a flat economy is a dimension that you cannot see from the flat perspective. This is a dimension of power, or, as it is in modern global capitalism — a dimension of capital. In order to substantiate my statement, I want to look at what is called in economics a value chain. The value chain covers the whole process of adding value to a product from extracting resources from nature to selling a particular good to customer. In some sense, even the most choicely flat ontologist would agree that the complex value chain of modern interconnected capitalism is perfect assemblage or network, just like the Dutch East India Company from Harman's analysis.

## **Power of the Value and Value of the Power: The iPhone Value Chain**

In our global digital age, one almost perfect example of a value chain including many countries, entities, and firms in its complex network is the production of the iPhone. Although the full global

supply chain map is probably available only to the top management of Apple, Inc., there are some traces of how wide it has spread around a globe. What is particularly interesting is the fact that without the dimension of Capital (flat view); the iPhone value chain could be characterized by the postmodern notion of rhizome — a network without any identifiable center. In order to see the difference between an imaginary flat economy of equal actors and a social reality involving unequal actors subsequent to the logic of Capital, we should involve a critical unflat view.

One of the recently discovered traces lead us to the Democratic Republic of Congo (DRC), a failed state in Sub-Saharan Africa. Here, in the hand-dug mines, workers, many of whom are children, extract cobalt, which is a crucial component in the lithium-ion batteries used in many electronic devices. Sometimes they sell it to the middlemen, sometimes companies claim they go to buy it directly from miners, which principally does not change the way cobalt is extracted. Mainly, as a 2016 report by Amnesty International revealed, the cobalt is bought by Congo Dongfang Mining, a wholly owned subsidiary of Chinese mineral giant Zhejiang Huayou Cobalt, Ltd. Already on this level we see the unflat nature of what appears to be a network of market actors.

Amnesty International reported that 20 percent of the cobalt supply in the DRC comes from 110–150 thousand artisanal miners, who “mine by hand using the most basic tools to dig out rocks from tunnels deep underground” (Ibid). Many of the DRC’s families work in the artisanal cobalt industry having no other chance to make a living. During Mobutu’s totalitarian political regime, the state-owned company La Générale des Carrières et des Mines (Gécamines) was in charge of mining the copper and cobalt. After the EU multinational force and UN peacekeepers invaded the country in 2003 to stop the ongoing war, a transitional government was set up and the process of privatization started. Up to 2010, Gécamines was privatized and international companies got access to cobalt mining (The Carter Center 2017). Today, cobalt is extracted by big companies as well as by artisanal miners. The socioeconomic system built around cobalt mining in the DRC is enormous and involves a lot of people, organizations and entities, legal and illegal, national and global (Tsurukawa, Prakash, and Manhart 2011: 20).

It is important to remember that cobalt extraction and the batteries assembled from them is only one of the dozens of particles used in modern electronics. The iPhone value chain involves many countries and many types of recourse, each of which is extracted and processed in complicated multinational production chains.



After all these components are produced, the next stage is assembling. About half of all iPhones are produced in China, at the Foxconn factories. This is the final assembly stage, because many of the components are already semi-assembled. Foxconn is infamous for several cases of its workers' death by suicide linked with low wages, overtime, and poor working conditions.

After the iPhone is assembled in one of these factories, it is transported to one of the many countries where the iPhone is distributed. In order to reduce taxes, Apple uses a strategy that includes purchasing a completed product from Foxconn and then reselling it to distributors. According to the *New York Times*, “[t]he process, most of which takes place electronically, allows Apple to assign a portion of its profits to an affiliate in Ireland, a tax-advantageous locale” (Barboza 2016). As for the iPhones produced for the internal market, they are still considered to be an import because the intellectual rights belong to Apple, although these phones are produced inside China, and, paradoxically, an iPhone could cost more in China than in the USA. In other countries, Apple use different strategies: sometimes there are official stores; sometimes it has contracts with official distributors.

What can the flat economy tell us about this value chain, the only one among many other value chains producing billions of products from trillions of different components? From the legal point of view and from the point of view of mainstream economics, there are multiple equal agents involved in this process. The artisanal cobalt miners hold the same position of free-market actor as Apple, Inc., and at each stage there are direct and indirect exchanges between many such actors. Some are exchanging sources, some — their machinery, the others — their labor (human resources), while Apple “sells” the right to use their intellectual rights on design, hardware, and software.

The truth is that this value chain, just like any other, is marked by very complicated relations between political power, capital, nature, law, workers, investors, international politicians, and so on. Only a naïve spectator could think that this chain of interaction from a mine through the intermediary buying raw cobalt, through the production and assembly to the distribution as a flat network of actors with equal potential. The visible flatness of this structure is already organized to bring the raw cobalt to life from its deep sleep in the ground with the force of Capital and then transform it to the electronic device in order to increase the flow of Capital itself. This unflat value chain is already a hierarchically fabricated desiring machine, which designates and controls a flow of resources, people, and money. The problem is that this machine of Capital

presents itself, again, as the illusion of a network of equal actors making equal exchanges. But could we truly compare two mythical barter hunters possessing equal rights, and, for example, the CEO of Apple and a child miner in the DRC? The answer is no, although economically and legally they are, and this is one of the greatest hypocrisies of modern economics.

The key element ignored here by flat ontology is their ontic/ontological difference. Flat ontology simplifies reality to one dimension, leaving unaddressed the dimension of Capital. However, how could we be so sure about this unflatness? We should use critical theory in order to reconstruct what this extra dimension of power would look like. For this purpose, we should become for a while idealist materialist – not only in the Latourian sense, but also in the Žižekian: we should not blindly renounce the ideas in order to find “materialist materialism,” but rather see how ideology shapes the coordinates of reality. We need, as Frank Ruda (quoting Badiou) put it, “an idealism without idealism” (Ruda 2015: 87).

In order to look closely at the exemplary value chain I follow in this paper, I want to use Jonathan Nitzan and Shimshon Bichler’s concept of capital-power. In their book *Capital as Power: A Study of Order and Creorder*, they write: “Capital, we claim, is neither a material object nor a social relationship embedded in material entities. It is not ‘augmented’ by power. It is, in itself, a symbolic representation of power” (Nitzan and Bichler 2009: 7). This power is measured, according to the authors, by capitalization, an ability to redefine everything (human beings, risks, nature, etc.) into future earnings. Using this power, capital becomes a mega-machine, assembled on an ideal and material level at the same time to reshape reality in all its levels. Capital constitutes a universal symbolic order based on capitalization; creates cohesion in form of a unifying belief in the normal rate of return; expands as an “ever increasing scale”, devouring social reality; intensifies, deepening the capitalist order into society; absorbs all the social relations in different spheres, rewriting it in its own terms of capitalization (Nitzan and Bichler 2009: 270–71). The Capital mega-machine presents itself in terms of flat economy as a set of equal agents, while truly it is unflat because each of these agents has different powers to shape reality. And the design of capitalism determines that the “drive to accumulate is a drive for more power” (Nitzan, Bichler, and Dutkiewicz 2013).

Let us look at the power-capital of Apple in the value chain of the iPhone. The clearest identification of power-capital is an ability to create a profit margin. In 2018 the profit margin of the iPhone XS Max was estimated as 200 percent (the price of the iPhone was

\$1249 USD and the costs only \$443 USD); the iPhone X profit margin was estimated at 64 percent and the iPhone 8–59 percent. Flat economics would use MUT to say that this could be explained by the high demand of the iPhones by customers and the theory of factors of production to conclude that the profit margin is equal to the value added to iPhones by Apple's fair and just intellectual input. Only an unflat ontology would help us see the power that iPhone's profit margin represents: the power to control markets manifested in persuading customers that the iPhone is worth this price; the power to dictate its rules to suppliers such as Foxconn; the power to structure the whole value chain in order to make profit. For example, in 2015 Apple ended a contract with Imagination Technologies, the supplier of graphics processors. Imagination Technologies' stock prices immediately dropped 70 percent.

The value appropriated, the value created, the value controlled is the measurement of the power of each agent in its unflat position in an economy. This power might be characterized by what Michel Feher (2015) called an ability to create credit: sustain and raise a certain value for shareholders.

This type of value is quite different from the ones that are analyzed in LTV and MUT. It is not related to the product as it is connected with the market value of shares of the company and thus with the attractiveness of the company for investors. Each company in terms of its shares' value has a different ability to attract investments and this ability is not only dependent on the current value of these shares. Through the process of capitalization, investors evaluate future possibilities of increasing value and, while investing, they hope for this increase to happen. This means that investors give credit for the future increase in value rather than evaluating the actual price of assets. Mainstream economics stands by an Effective Market Hypothesis (EMH), which claims that share prices reflect all current information. Nitzan and Bichler (2009: 192–96) showed that this is not entirely true, and the price of shares are highly dependent on the opinion of experts, market analysts, and strategists. It means that the value of a company is the credit given to this company by the collective consensus. And an ability to influence this consensus in order to increase or decrease the amount of credit given in a form of evaluation of its future price of shares is the power of Capital.

If we, as Latour wants, are to get rid of idealistic materialism in order to fully pledge our loyalty to flat ontology, we miss this unflat structure behind the illusion of flatness. We will think of economic agents in terms of economics textbooks and will go to the extreme of treating the CEO of a huge corporation and cobalt miner as if

they were equal prehistoric hunters. We may think of flat economics, the moppet of flat ontology, as of mere form behind which we should find the true idea of capitalism – unflatness, concentration of power-capital. But, as Žižek puts it, “the form is never a ‘mere’ form, but involves a dynamic of its own which leaves traces in the materiality of social life” (Žižek 2007).

Democratic materialism proposes a picture of reality where all objects and subjects are equal, where there is even no difference between object and subject. This flat picture is usually presented as something new and revolutionary in social science. But we have seen that the same flat vision has already been proposed by economics, which equalized everything using a mainstream theory of value – without a highly intellectual doctrine, of course, but rather in practice, presenting value chains as networks. In both cases, flat theories ignore the dimension of power-capital and thus show us a unilateral picture of social reality. By using a critique and adding the dimension of power-capital, we also add an antagonism because unflatness presumes constant change and redistribution of asymmetries and balances in reality. And this is how dialectical materialism today should respond to democratic materialism: by pointing at unflatness in a presumably flat reality and identifying antagonisms driven by the idea inscribed in the “enigmatic form” itself.

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