

PHD THESIS SUMMARY:

The ontology of money: institutions, power and collective intentionality

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The aim of the thesis is to revisit elementary questions about the nature and the existence of money and to propose an alternative framework to the textbook description of money according to three functions, i.e., as a means of exchange, unit of account and store of value. The main task that the thesis sets for itself is to investigate and to present how individual attitudes, social institutions, and technological contingencies ascribe to money its social significance, its functions and its value, in an effort to understand how the monetary system can be studied in the current socio-technological juncture. The motivation of the project is the dissatisfaction with the dominant commodity theory of money and its inability to contribute to the conversation on the recent economic crisis or on the technological transformation of money through digital payment systems.

The framework of analysis is developed through a comparison between the two major scientific research programs on money, the commodity and the state theories. In order to compare the two theories, three fundamental questions are raised: “What is money? How does it get or lose its value? Where does it come from or how does it get into society?” (Ingham 2004, 10) The two research programs offer different answers to the aforementioned questions because they adopt different methodological and ontological starting points. The commodity theory describes the economy as an all-encompassing market characterized by rationality, individualism, complete information and free choice. In this universe there is no place for power or the state, while the relations and the rules that regulate social interaction are minimal. The state theory of money is developed in a different, historically informed, theoretical framework, where state authority, rules, and norms are acknowledged and money is defined as an abstract standard of value.

The analysis of money according to the state theory is compatible

with the reality of state-sponsored nonconvertible paper currency, but the appeal to state authority alone cannot provide a full explanation for the existence of money as an institution that regulates individual and collective behavior. In the thesis, social ontology and institutional economics supplement the state theory by providing a comprehensive framework for the analysis of the existence, the operation and the evolution of the institution of money. State money is supported by an account of social existence built upon the notions of collective intentionality and constitutive rules. Intentionality is a philosophical notion that defines the relation of the mind to the world. Collective intentions express a 'we-mode' rather than the 'I-mode' that characterizes individual intentionality. Constitutive rules establish the shared meaning of institutional facts and provide desire-independent reasons for action (Searle 2005, 5). An account of social existence, based on collective intentionality and constitutive rules, can provide the basis for an institutional analysis of money, delineating a form of collective acceptance that is both able to carry the ontology of money and that is consistent with an institutional analysis of its identity and evolution.

The definition of money as an institution is necessary, according to the ontological framework of the thesis, because the functions of money and its social significance depend on a system of constitutive and normative rules. Normative rules have the form of 'do *X* in context *C*' and constitutive rules communicate the status-functions of money through the structure '*X* counts as *Y* in the context *C*'. The combination of normative and constitutive rules establish money and explain how it gets invested with a specific social significance—as an abstract standard of value—in virtue of which it assumes a specific institutional status and can perform its social function. The normative and constitutive rules that create money are selected for their ability to facilitate the functions of money and in consequence to instantiate its status. The identity-constituting function of money remains unchanged and defines money, but the meaning and the fulfillment of this function within the specific social context of its constitution depends on the constitutive and normative rules, at the same time as their persistence depends on their ability to support the fulfillment of the function of money in the same context. The interplay between institutional rules and status suggest a relationship of mutual dependence and a mechanism for social evolution.

Technology is the motor of change in the process of social evolution, with financial innovation leading to institutional change. The interplay

between the functions of money and the technological devices that are used to support its operation, including the regulatory framework that constitutes them, provides the mechanism for the evolution of money. The function of money remains unchanged, but the technology for its fulfillment evolves through time following innovations and changes of the institutional rules that establish the institution of money. The antagonism between ceremonial and instrumental values sets the pace of the integration of technological innovations in the institutional structure of the monetary system, regulating institutional adjustment (Waller 1982, 757). Ceremonial values account for the conservative inertia to social development, describing how the privileges, power and rents define the conditions for the social constitution of innovative technologies. Instrumental values are directed towards the application of new technological knowledge for the solution of specific social problems and refer to the progressive influence of technology on social attitudes and institutions.

The main contribution of the thesis is the proposed framework for the evolutionary analysis of money and economic value that combines the state theory of money with an account of social ontology developed from the concepts of collective intentionality, constitutive rules and social status, and with original institutional economics and its theory of institutional change.

REFERENCES

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Georgios Papadopoulos combines economics, philosophical analysis, and aesthetics with an exploratory artistic practice. His research gravitates around money and its socioeconomic functions. He studied philosophy and economics at the London School of Economics and then at Erasmus University Rotterdam under the supervision of Prof. Dr. Arjo Klammer. In 2008 and 2009 he was a researcher at the theory department of Jan Van Eyck Academy in Maastricht, and in 2012 was granted the Vilém Flusser Award for Artistic Research from the School of Fine Arts and the transmediale festival in Berlin.

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