

Two Questions on the Ontology of Money

An Imaginary Dialogue between John Rogers Searle and Maurizio Ferraris

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in dialogue with John Rogers Searle and Maurizio Ferraris

Abstract

This dialogue reflects and synthesized the content of a recent publication (Einaudi, 2018) entitled *Il denaro e i suoi inganni* (by John R. Searle and Maurizio Ferraris, ed. by Angela Condello). The two philosophers present their perspectives on the ontology of money, which are different and yet interestingly intertwined. On the one hand, Searle returns on the crucial function of intentionality in the construction of social reality: it is intentionality that gives value to banknotes. On the other hand, Ferraris responds with his theory of documentality, that today – with bitcoins and blockchains – must be defined as “documediality”. Money emerges as the paradigmatic social object, which we should observe as a meaningful symbol of contemporary societies.

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Preliminary notes

When first discussing about a book on money with Maurizio Ferraris, and thus when first confronted with the possibility of going back to the basic structure of his social ontology, John Searle told me that he was very excited about it. And that he was excited for two main reasons. Firstly, because he would have one more chance to affirm his theory of intentionality and to try and criticize a theory constructed around the constitutive power of recordings, traces, and documents. In other words, he knew he could have one more chance to discuss – and eventually criticize – a philosophy which has many affinities with Jacques Derrida’s grammatology. Secondly, because he had never reflected on money, and yet he had recently got to the conclusion that the example of money was everywhere in his books. Every time he would mention the paradigmatic social object, Searle would refer to money. But never before two years ago had he engaged in writing an entire essay on this. All of us use money everyday, even if often unfamiliar with economic and financial theories. Yet we need philosophy in order to understand what money is. Maurizio Ferraris, John Searle and I are very grateful to Einaudi, and to Andrea Bosco, who believed in this project since the very beginning. Intentionality and documentality emerge, from the theories of these two world-leading philosophers, as complementary aspects of our social world.

On March 13th 2018, *Il denaro e i suoi inganni* (Einaudi) was finally published. I had the honor to translate John’s chapter, to edit the volume and to present my own personal perspective on their theories. Searle and Ferraris are undoubtedly two authorities in the field of philosophy both in the continental and in the analytic tradition. They have engaged in the field of social ontology, that is to say that branch of philosophy that focuses on the objects constituting reality and on our relationship with them. Synthetically, their positions could be summarized as follows: on the one hand, Searle believes that social reality (institutions, professional titles, money, property, etc.) is constructed by subjects. In order to exist, something like a 5 dollars banknote must be represented and collectively recognized as valid by a sufficient amount of subjects within a community. Ferraris, on the other hand, claims that collective intentionality does not explain the complexity of the social world. In order to understand this world, we must look instead at documents, recordings where the intentionality of which Searle speaks is deposited. Without such a system of traces, there would be no social world. The double perspective (intentionality; documentality) presented in the book offers an interesting insight also for architectural theory, particularly as far as the theory of project is concerned. The project in architecture is another paradigmatic hybrid that integrates intentions and traces. In some sense, this work on money suggests an innovative interpretation of social reality in terms of an “intentional grammatology”. The ontological condition of money, as well as the ontological condition

of the documents of an architectural project, describes social reality as the product of both intentionality and documentality. Going back to the “symbolic” social object analyzed in the book, money, we could say that Searle explains how it mobilizes the social world by creating obligations, rights and possibilities, with the same peremptoriness of physical injunctions. On the other hand, Ferraris retraces the essence of money, which is recording: today, money has been reduced to pure bits on a computer (bitcoins) and it reveals an essence which is older than the pyramids. This book presents an exemplary dialogue between an analytic philosopher and a continental philosopher, who are united by a passion for speaking clearly about concrete things.

Two questions on money (A. Condello, J. R. Searle, M. Ferraris)

Since unfortunately Searle lives on the other side of the earth, in Berkeley (California), I was obliged to reconstruct their dialogue through their texts, and by making reference to conversations the three of us had in different places, such as Torino, Berkeley, Paris, Rijeka, Bonn. Through the reconstruction of their theories as they emerge from the book, and additionally thanks to these occasions of exchange, I imagined to ask them the following questions.

Question One: why is philosophy necessary to understand what money is?

Question Two: Why are the notions of “intentionality” and “documentality” necessary to understand the ontology of money?

Here is how they replied.

John Rogers Searle

When I am asked about the nature of the social object that we call money, I always turn towards my reflections on language. I think social ontology cannot say under what conditions would it be true to say that the object in my hand, a twenty dollar bill in this instance, is money? In order to answer this question we need to analyse a complex series of questions typical of the philosophy of ordinary language (parts of this text constitute an integrated and broadened elaboration of an article that John Searle published on the Cambridge Journal of Economics).

You can deliberately depart from usage, but to the extent that the investigation is to be philosophically relevant, it has to be anchored in ordinary language. Exceptions would be in very technical subjects, so if you are looking at the philosophical implication of superposition in quantum mechanics, the ordinary usage of words of like “superposition” and “quantum mechanics” is likely to be of no use to you. But for such traditional philosophical problems of truth, causation, goodness, etc., there is no escaping ordinary language.

Also, it might seem that the nature of money is a technical problem for economists and that amateurs and laypersons, like myself, should not attempt to meddle. I think that there are probably lots of technical questions about money -- for example about how interest rates affect money supply and about the marginal propensity to consume -- which are far beyond my comprehension. However, my experience has been that a lot of technical sounding disciplines rest on unstated philosophical assumptions and it is not a bad idea for somebody to come in from outside and have a look. This happened to me in my dealings with Artificial Intelligence where I found that many workers in artificial intelligence failed to understand certain fundamental distinctions between computer simulations and mental processes (Searle, 1984). In any case, I am proceeding with my amateur's attempt to understand the nature of money.

It seems to me the right strategy to adopt an answer to this question is first to give a definition of money and then to analyze how certain entities can satisfy that definition and certain others cannot. The thesis of the article can be stated in one sentence: Money is a status function. In order to explain that, I have to explain what is money and what is a status function. Before doing that, I need to clarify certain other absolutely fundamental distinctions and I will start with the nature of objectivity and subjectivity.

Mountains, molecules, oceans, and galaxies have an existence which is independent of anyone experiencing them. They are ontologically objective. Pains, tickles, and itches, on the other hand, are ontologically subjective because they only exist insofar as they are experienced by human or animal subjects. One importance of this distinction is that you can have epistemically objective claims about a domain that is ontologically subjective. Consciousness, for example, is obviously ontologically subjective. Conscious states only exist insofar as they are experienced, but claims about consciousness made in the neurobiological science of consciousness can nonetheless be epistemically objective. Failure to notice this fundamental point is quite common.

Lots of entities are, on the other hand, mind dependent. Even entities about which we can make epistemically objective claims, like money, private property, government, and marriage. All of these exist only relative to human attitudes. They are not observer independent, they are observer relative or observer dependent. As far as the relation of these two distinctions is concerned, we should notice that all observer relative phenomena contain elements of ontological subjectivity because they only exist insofar as they are thought of, or regarded, as existing. Nonetheless, about many such phenomena, we can make epistemically objective claims. Again, where money is concerned this obviously the case. Money exists only insofar as something is thought to be money. Its existence is observer dependent. However, we can nonetheless make epistemically objective claims about this observer dependent domain. The fact that I have a twenty dollar bill in my hand is an epistemically

objective fact even though the fact that it is a twenty dollar bill contains elements of ontological subjectivity. It is only a twenty dollar bill relative to our attitudes.

All observer-relative phenomena are created by conscious, or sometimes unconscious, mental states but the mental states that create the observer relative phenomena are not themselves observer relative. They have an existence which is, so to speak, completely intrinsic or observer independent. The fact that this thing is money exists relative to our attitudes, attitudes of people like me. But the fact that I have this attitude, “I think it is money,” is not observer relative. That is an intrinsic fact about me.

Maurizio Ferraris

Which came first, money or the value we attribute to it? This question recalls another one, which was famously asked by Plato: are things pious because God loves them or does God love them because they are pious? The answer at first seems easy: value (or at least need) precedes money. But maybe it is not so. Of course, when we handle money we have the impression that it has value because the community in which we live feels that it does. But it is difficult to ignore the fact that when I handle money, I have the impression that the value lies in the money, not in my head: I may have wrong theories on money, or no theory at all, without compromising the value of the note I am holding. This is a psychological and philosophical riddle to solve: if money had value because we thought it did, why is it not enough to change our mind for it to lose value? And if we are not the ones who give money its value, then who is?

This question is similar to the chicken and egg problem. So, to avoid the circularity and solve the dilemma, I propose to distinguish two levels. A manifest level, reflecting our immediate intuition, where value precedes money; and a deep level, which is much less intuitive, where money determines value instead. In what follows I will try to show the legitimacy of the latter. So, after presenting the manifest image, I will look into the deep structure by which money (a paradigmatic document) precedes and produces its value. This fact is manifested in the sacred respect that “the colour of money” (to quote an old movie) arouses in its worshippers – namely, us all – no matter the ethical convictions, psychological dispositions, ideological orientations that guide us in earning it or not, wanting it or not, investing it rationally or wasting it all, saving it or throwing it out the window.

First, I will deal with epistemology, that is, what we know (or believe we know) of social reality. In other words, I will deal with the egg, distinguishing between the manifest image (the idea that social reality is constructed by intentionality, our thoughts and representations) and the deep structure (the idea that social reality emerges from what I call “documentality”: a system of recordings with recognizable forms that is the origin of social objects, including money). Then I will move on to ontology, that is, the processes underlying the formation of the value

and normativity of money and, more generally, of documentality. In other words, I will deal with the chicken, trying to account for the deep structure by answering the question: what makes documentality (social objects) possible, if intentionality is not the ultimate foundation of social reality? Finally, I will introduce a third dimension that, in my opinion, is necessary to explain the nature of money and of social reality in general: namely, technology. By this term I mean the actions we perform in the social world, which most of the time are not guided by clear knowledge of that world, and therefore appear as competence without understanding. The underlying idea is that – contrary to what social contract theorists believe – we come into contact with the ontological dimension of the social world – that is, with the social forces (obligation, responsibility, motivation, intentionality) – not through understanding (epistemology) but through action. When I handle money, I do not apply some economic theory (or at least some real economic theory: maybe I think money has value it because it can be traded with gold, and of course I do not wonder why gold has value): I simply act. This attitude is the fundamental character of my relationship with reality in general. Then, little by little, through action, I might – though not necessarily will – become aware of what I do, so that competence becomes understanding: that is, ontology turns into epistemology. This is the thesis I demonstrated in my chapter (entitled “Il colore dei soldi”, “The colour of money”).

Conclusive remarks on the symbolic social object, between intentionality and documentality

In the last and conclusive essay of the book, I trace the main aspects of the theories on money presented by Searle and Ferraris. It is entitled *La cornice e l'oggetto sociale simbolico. Il denaro tra intenzionalità e documentalità* (*The Frame and the Symbolic Social Object Money Between Intentionality and Documentality*). Following, some extracts from my chapter.

The challenge of the present book is to look at money in a different way, through the theories of two paradigmatic figures of the international philosophical landscape, John Searle and Maurizio Ferraris, addressing a central topic within social ontology. The task was not easy, but it has been accomplished. The outcome (as was to be expected from great experts in ontology) is that money is not exceptional compared to society, language, or human life in general. The frame is therefore only a metaphor of the symbolic system money belongs to. Money emerges from it as a tool that *works* through language while putting it into question, *operates* through social relations while defining them, and *shows* paradigmatically why and how exchange, as a fundamental social fact, works.

Searle discusses two strong theses. The first is that money is a matter of ordinary language. Like any form of exchange, it is a typically human thing, because no other animated being makes use of ordinary language as understood by Searle. Not only is this a system of signs and meanings

(which can certainly be found in many cases in the animal kingdom): it is also something capable of creating status functions. Social objects – like money – all perform certain functions, and the functions exist in relation to the fact that we have assigned some kind of intentionality to the objects of these categories. The existence of these objects is relative to, and dependent on, intentionality and the observer, whereas other objects have a way of life that is not relative to the observer. Mountains, trees, and molecules exist in a way that is not relative to the observer, while computers, cars, and pens exist in a way that is relative to the observer. The functions are always relative to the observer and are such because only the observer can attribute certain functions to the objects.

The second thesis is based on the distinction between the level of objectivity and that of subjectivity (which Searle distinguishes into epistemic level, relating to knowledge, and ontological level, concerning existence). Money is an entity that exists only to the extent that something (ontology) is thought of *as* money (epistemology). The operation that allows for this attribution of value (epistemic level) to something (ontological level) can be applied to anything at all (a shell, a gold ingot, a can of beer, a pair of pants). And this is how the whole social reality is constructed: this operation, called the status function, is what makes it so that what is in the world (a piece of metal, a person in flesh and bones) is promoted to a socially relevant level by being collectively recognized *as* something relevant (a coin, a husband, a professor or a finance officer). Status functions are important because they attribute power over others. However, Searle does not explain *how* they attribute power, although he suggests that power, in his opinion, derives from the persistence of these functions.

Once an object is treated as a coin, it cannot stop being used that way just because collective intentionality shifts that value to another object, such as a hat. If a man is a husband, for him to cease being such it is necessary to go through a long (and painful) bureaucratic procedure made of registers, archives, files, and signatures: in other words, it is necessary to go through the document system that until then has ensured the persistence of that status. This is a sort of material, physical and traceable mark of the intention expressed on the wedding day (“I do”, in the sense of “I have pictured it”, “I understand it”, according to the most complete meaning of intentionality).

The Latin term *status*, in my opinion, is the first element linking the two philosophers: it is understood in the sense of *remaining* firm, *sticking* to a position and *keeping* balance. The intentional dimension, central to the thought of the American philosopher, has to be very solid for the function of money not to be ephemeral, that is, for money to be more than barter (a sort of peer to peer exchange, a possible ancestor of bitcoin). Money as a status function is created through the constitutive rule “X counts as Y in C”: the object X acquires the function, the exchange value Y, within the context C. This constitutive rule provides reasons to act and

conditions our desires regardless of our inclinations.

Ferraris explains how this is possible. While acknowledging the importance of intentionality in the philosophy of money and in social ontology as a whole, he investigates *how* money is able to mobilize us (and not just *why*, as Searle does). The result is that both of these readings place money at the center of our society because money is a paradigm of its functioning: it increases our power because beyond the form of the object (the coin, the banknote, but also more broadly the bank account, the bank itself, and so on up to the International Monetary Fund) there is the force of the object. Money is an allegory of the human bond, even though it exists independently from the dimension of the bond in the traditional legal sense. This allegory incorporates the exchange of exchanges and therefore, at a closer look, the whole society.

Like Searle, Ferraris also reveals something, solving some puzzles concealed in what he calls the “deep structure” of social reality. Actually, in this case, rather than something that seems to be what it is not (deceit), this is something we are just not used to thinking about, or at least not enough. The deep structure is a system of recordings: a network of documents directly related to intentionality but, according to Ferraris, prior to it. Otherwise, he claims, the great financial crises of history could not be explained. If intentionality preceded documentality in time and importance, great depressions would have been avoided by shifting collective intentionality onto another object. The intermediate conclusion is that there must be a further system of elements in the construction of social reality for functions, values and status to be able to persist and have a recognizable value over time.

The mystical foundation of deontic power mentioned by Searle cannot be (only) collective intentionality. It certainly cannot be the prime foundation of the value of money and of all the things that, by the virtue of their value, make us act. The foundation of the deontic power of money is, in my opinion, the transition from an object’s regular function (whatever it is) to its status function: The object, thanks to the status function, is registered as an object of exchange. Inscription is therefore a core in which the intention coincides with the trace, and only a new trace can modify it. The element of mysticism emerging from the idea of deontic power mentioned by Searle lies in identifying the origin of that power with an almost transcendent force: something makes us act through money, but it still unclear what. The element of mysticism is revealed in Ferraris’ theory.

Money exists in between the two positions. This is also confirmed by Searle’s constant reference to the necessary representation of the status function, without which the function would not take place nor could persist over time. Searle admits that the bank keeps a register, whose only physical form lies in the magnetic traces on the computer disks recording the amount of money one owns in the bank. Therefore, changes in the amount of money owned consist entirely of changes in its representation

on the computer disks. Without things being fixated in a representation (which is an inscription, a sign, a trace) and without a document system that organizes the exchanges, the function of money, both in use and in trade, could not persist.

The inscription that enables the status function and keeps it valid for the object-money unites two elements: the concrete material object and its transcendent value. That is why I think, like Simmel, that money is purely symbolic (Simmel, 2004: 144). The power of money is deposited in the relationship between individual intentionality, collective intentionality, and documentality: this power has a symbolic root. The intention to establish a status function in that object is fixated by the inscription and by the collective recognition of that object as money. The coin, the banknote, the trace on the bank account are individual instances repeated an incalculable number of times, and yet every single time they are more than a piece of iron, a simple piece of paper or a set of data in computer memory. More precisely, a coin is both a simple piece of iron and the value of use and exchange that transcends it. The latter is based on collective intentionality and on the need for it to be fixated on repeatable recording systems (iteration is one of the characters on which Ferraris rightly insists).

These philosophical arguments consider money as a usable good, one that has value according to its numerical indication: it does not matter to have this or that banknote in your pocket, but to have one that has *that* value. In Roman law the usable goods are *res quae pondere, numero, mensura consistunt*: those that can be easily replaced with others, as they have the same quantitative and qualitative structures. Their fungibility, however, always falls within a genre, a group whose limit is defined and known. The fixation of this defining limit occurs on the dual level of documentality and intentionality. The ontological dimension intersects the epistemological one in an ambiguity that can be found in money and in many other objects: Ferraris rightly notes that bitcoins are the most concrete form of money (Simondon, 1958), as they are simple silicon recordings. The intangible concreteness of the bitcoin is given by its recognizability as a social object that is constituted as a *symbolon*, an amulet in which the individual instance coexists with the value to which it refers. It is a symbolic and reproducible social object, which is based on a document basis animated by collective intentionality.

In this symbolic foundation, money refers to the system of norms that hold society together: the deontic power of money and of norms cannot be self-founded, but needs a foundation (Zagrebel'sky, 2012). Ferraris notes that collective intentionality is nothing more than a fiction by which we can say that every gesture, every decision and action, is not arbitrary or subjective, but belongs to a network of relationships and reciprocal recognition among subjects. For this reason, once again, money is first and foremost a power: owning it allows one to create potential constraints where they do not already exist. This potential obligation to

others and to another collectivity, which we may call “society”, is what makes us act in the respect of rules and what makes us recognize a given object as currency and a given individual as the President of the United States.

The peculiarity of money is that any recording (but not any volatile object) could be money, as Searle notes, but not all objects are used as money, as Ferraris notes. The recording (and therefore coming into existence) and iteration of money have meant that it has slowly become a technically defined object, produced only in some places and in some ways; it can also be transferred virtually, but always through some very precise means. So, money is a *unicum* whatever, so to speak: being the outcome of iteration, it can be found anywhere, but is an individual bearing a universal and widespread value.

Money is a symbolic social object because it is “a place of referral that presupposes a double layer of reality: one that lies beyond the factual and logical-demonstrative experience, which is, as it were, hidden behind a veil, and the one that the veil itself shows us, in the approximation [...] of disclosure and concealment” (Zagrebelsky, 2012: 6). Like any symbolic object, it is also intrinsically enigmatic and deceptive, because not everything about money can be understood through perception, and because what intuitively seems clear may be wrong – as Searle rightly notes in his analytic deconstruction. In the banknote displayed by Jefferson Hayman and in every banknote in our wallet, there is a form (the visible one, the image) and a force (the invisible one, the theme or the content). For this dual nature, money is a symbolic social object that responsabilizes us and creates power.

In his seminal work on money, which has proven able to constitute a total philosophy, Simmel claims that: “the unique significance [of] exchange [appears] as the economic-historical realization of the relativity of things [...]. No matter how closely the inner nature of an object is investigated, it will not reveal economic value which resides exclusively in the reciprocal relationship arising between several objects on the basis of their nature. Each of these relations conditions the other and reciprocates the significance which it receives from the other” (Simmel, 2004: 99). It is a relation of reciprocity that, without simplifying them, brings together documentality and intentionality and now appears to me as it did at first: an ambitious dialogue that, for this reason, involves many disagreements (all well-supported) and is able to look at the overall complexity of a theme normally relegated to economic theory, be it explanatory or radically critical. Money is thus brought back where it truly belongs: to the field of the theory of exchange. And therefore to the origin of human relations and of the system of social objects that surround us, affecting us aesthetically and intellectually. From the color of money to the theological matrix of the trust we have in it (Napoli, 2016).

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