Medium, Messenger, Transmission

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Money: The Transmission of Property through Desubstantiation

There is hardly any transmission process as familiar as buying and selling. A business transaction in which goods are passed from one person to another is an activity that creates and confirms the overall picture of our social union like hardly any other aspect of our daily behaviour. These transactions are possible because of money.

For philosophy, money is an object that is all too profane and therefore – at least theoretically – mostly avoided. As much as philosophers are concerned with the communicative exchange of words and signs, they neglect to reflect on the exchange of goods and values. And yet there are surprising family resemblances between the circulation of signs and goods, as language and money, as well as intellect and economic rationality, definitely have something in common. Most recently, Hartmut Winkler’s study Diskursökonomie explored the structural similarities between the exchange of signs and goods, which thus introduced a new perspective for the theory of media as mediator of circulation.97 And Eske Bockelmann’s work Im Takt des Geldes examined the capacity for abstraction that exists in the equivalent relationship between, on the one hand, the value function of money, which is detached from its concrete content, and, on the other hand, the commodity form of goods, which possesses all concrete contents.98 In his groundbreaking study Signifying Nothing: The Semiotics of Zero, Brian Rotman has undertaken a comprehensive semiotic reconstruction of money by analyzing its function as meta-sign.99 Finally, Siegfried Blasche’s ‘Zur Philosophie des Geldes’ worked out the performativity of money as well as its performance conditions by analogy to the performativity of speech acts.100 However, I am less interested in the symbolic nature of money, and I will also focus only marginally on the performance of the social institution of the monetary system. I am more concerned with the question of whether the functional principle of money contains any insights that would be enlightening for media theory. But what does it mean to analyze money as a medium?

What Is Money?

What is the answer to this elementary question: What is money? One answer – which is nevertheless only provisional here – can be found in the monetary functions of money or the uses to which it is put. This reveals at least three dimensions: money is a means and mediator of economic exchange, it is an instrument of measurement, and lastly it is a store of value. Money transmits value, measures value, and stores value. Admittedly this
is an overly simplified hypothesis that must later be revised, but from the perspective of usage it is at least clear that the mediator function of money is indisputable. So what does it mean if the exchange of goods takes place through the medium of money?

People desire things that they lack but others possess. In societies based on the division of labour this applies to many things. There are three obvious ways of obtaining the desired object: it can be stolen, given as a gift, or purchased. Theft leaves behind a form of guilt, as does the one-sidedness of a gift. Paying the required price, however, absolves people of any further responsibility. Buying and selling always entail at the same time both giving and taking. Through the intervention of money, what is received is considered to be equivalent to what is given in exchange, and reciprocity is thus maintained.

The fact that people want what others have results in a conflict-laden asymmetry of interests, and the mediator function of money consists precisely in preventing this collision. The use of money enables people to induce others to do what they want in a way that – unlike the use of violence or love – saves time and energy. Money reduces transaction costs. Money successfully mediates between those who are opposed by designating and assessing commonality in difference. Above all, it embodies and reifies this commonality – the quantifiable value – thus making it manageable. Money is, in the literal sense of the word, unifying, it synthesizes.

I will now emphasize more clearly three facets of money-mediated exchange: (1) its sociality, (2) its abstractness and indifference, and (3) its materiality and structural properties.

On the Sociality of Money

(1) Mediator between people, not things. The fact that we purchase goods with money or sell them for money fosters the impression that an exchange of things has taken place according to their inherent value. Contrary to the appearance of a transaction of things or services, however, money remains fundamentally a mediator between people. What money transmits is not simply a thing, but rather the ownership of a thing. Ownership is exclusive: if I legally own something, then others are excluded from this relationship. By enabling the transmission of property, money is a social medium. It mediates between people in that it enables the exchange of things in a way that is free of conflict.

The national economist Hajo Riese goes further into the social interpretation of the function of money. For Riese, money is based not on acts
of exchange, but rather on obligations: money is only a means of payment because it is ‘the ultimate medium of contractual fulfillment’. For Riese, the monetary system is not based on the exchange of goods, which is also possible in non-monetary forms, but rather credit, and thus the relationship between creditors and debtors. The beginning of the monetary economy thus lies in an authorized institution of money creation. This institutional foundation of the monetary system contains two dimensions that help to illuminate its sociality: the religious origin of money and its performativity.

(2) The sacred origin of money. Ernst Curtius already clarified the religious character of Greek coins – the earliest form of minted money – in 1870, at a time when this was already assumed but not yet proven. Greek coin designs mostly featured gods, but this was not the profane result of the fact a deity constituted the city coat of arms and thus belonged on coins ‘by order of the state’. Rather, Greek temples were the oldest financial institutions and their priests were the first capitalists: the priests gave advances to congregations and private individuals, participated in profitable business enterprises, supported overseas settlements, and intervened monetarily in wars. Moreover, a number of cults were linked to practices whose own dynamics required the minting of money, such as temple prostitution and the ecclesiastical organization of contests, etc. Hellenic coins were thus originally used as temple money and it was not until later that they passed from the hands of the priesthood to those of the state.

However, the connection between religion and money is also systematically instructive in other ways: The power of money to enable the peaceful transfer of goods from those who have them to others who do not derives from the sacrificial character of payment. The desired object is only acquired through a renunciation. Acquisitions mediated by money function as acts of self-denial. This is precisely the same functional logic that motivated the practice of holy sacrifice. The connection between sacrifice and money is actually quite prominent, and it is also established etymologically through such words as ‘pecunia’ (from the Latin ‘pecus’, which referred to ‘sacrificial cattle’), ‘obolus’ (from the Greek ‘obolos’, which referred to ‘sacrificial skewers’), and ‘moneta’ (from Juno Moneta, the Roman goddess of fertility and coinage), or in the sacrificial animal, which was the most common motif of early coins.

In The Philosophy of Money, Georg Simmel identified sacrifice as the basis of any exchange: ‘[T]he content of the sacrifice or renunciation that is interposed between man and the object of his demand is, at the same time, the object of someone else’s demand. The one has to give up the possession
or enjoyment that the other wants in order to persuade the latter to give up what he owns and what the former wants. The price of a commodity is therefore the price of the sacrifice that is required for its acquisition. The fact that money mediates reciprocal exchanges opens up the meaning of sacrifice, which in everyday language is considered to be a one-sided, asymmetrical act for which nothing is to be given in return. The idea that people must give something away in order to be able to take, that they can enjoy something when they are prepared to pay the price for it, illustrates how exchange differs from stealing or giving a gift. It also constitutes the money economy’s own rationality. Money weighs and specifies the degree of sacrifice necessary to acquire something; it makes giving and taking calculable and billable.

(3) The performativity of money. The origin of money in the temple and the priesthood already shows that money is an institutional fact; moreover, the reduction of money to the giving and taking of credit suggests that money is always associated with a ‘promise of value’ and thus also with ‘trust’. In the words of Hartmut Winkler: money is an institution that is not based on reference, truth, or substance, but rather on performance. For Siegfried Blasche, the ‘crucial philosophical insight’ is that ‘money – like other institutions – is the result of speech acts’. And the performative nature of money means precisely that its validity has nothing to do with ‘conditions of truth’, but rather it is based on trust and approval. There is only money insofar as something is accepted as money: Money exists because it is valid. Moreover, an object only becomes money when it is enthroned as money by a central institution. In modern societies, the central bank controls the creation of money and keeps money scarce. By virtue of this institutional authorization, the mediator function of money can then actually be based on the beliefs and expectations of those who use it rather than a reference to actual goods for which it can be exchanged.

I will now look more closely at this liberation of the value of money from its capacity to be a commodity or its ability to be exchanged for ‘valuable’ goods.

Generality, Indifference, Abstractness
If money makes giving and taking billable, if it represents the homogeneous in the heterogeneous, if it relates different things to one another and makes them equivalent, this is because there is a fundamental distance between money and the things whose circulation it mediates. Money becomes a medium for the exchange of goods insofar as it remains separate from other goods. This otherness of money is evidenced by the fact that people are able
to neither produce nor consume money: Self-produced money is not money, but rather counterfeit money; and if Uncle Scrooge’s consumption consists in the ‘enjoyment’ of the mountain of cash in his money bin (I will return to the issue of greed later), he has precisely alienated it from its mediating function. The economic encompasses production, consumption, and circulation: And money is a ‘material’ that genuinely belongs in the sphere of circulation (and distribution). When ‘natural’ commodities set the standard against which the value of the exchanged object was determined according to size, number, and weight – like barley, which was used in Mesopotamia around 2700 B.C., or more often metals like copper, tin, bronze, silver, or gold, which were remarkably useful for tools and jewellery – these were at best only early forms of money. In a conceptually narrow sense, coins furnished with images and numbers were the first examples of actual money because in these coins the complete metamorphosis of the use value of a thing into its exchange value acquired a concrete form. If the market economy’s penetration into a society tends to put a price on everything and thus subordinates everything to the regime of exchange value, does the ‘materiality’ of money represent a ‘pure’ and ideal form of value that objectifies this transformation of use value?121

Money, as is well known, has passed through various stages of development, from coins to paper currency and finally to electronic money, which is only understood as sight deposits received and credited to accounts. And no less well-known is the tendency towards the successive separation of the real value and the face value of money: While material value and face value temporarily coincide in coins and while paper currency at least depends on the suggestion of financial coverage through gold reserves, the value of money actually consists in its legally determined institutionalization as a state-approved symbol of economic value.122

As a common equalizer, money functions as a ‘machine of decontextualization’ and a mechanism of dematerialization. Money establishes equivalence not only in the sense of equality, but also in the sense of indifference.124 Money does not reveal its history and it remains entirely available for future use. Money is free of indexical traces. Money is indifferent towards people and things and it can thus also be transmuted into everything purchasable. In the words of Goethe: ‘This metal can be transformed into anything.’ Money becomes the incarnation of a form of value that makes concrete qualities and substantial differences comparable by levelling qualitative differences. It is also possible to speak of a ‘self-neutralization’ of money, which is a key to understanding its medial character.125 Money must have differentiated itself as indifferent and without content as opposed to commodities, which are determined according to their content. Value and money are conceived
as ‘a pure unity that consists of itself and is determined by itself; it can refer to any conceivable contents while still remaining detached from them’. The ‘quality’ of money consists only in its quantity. In money the abstract form of value not only prevails over the concrete natural form, but rather this abstraction also manifests itself: Something invisible is literally and materially objectified and becomes empirically real.

However, as Bockelmann demonstrates, it was not until the sixteenth century (in central Europe), when market conditions took hold to such a degree that money actually became a universal and abstract unity, that nearly all goods were subjected to a standard measurement of value. As Richard Sylla points out, money first led to the rise of large national economies in Holland, England, the USA, and Japan in the form of a developed financial system and a functioning financial market.

I previously asked how money was different from the rest of the world of goods, and I can now once again offer an answer: Concrete goods have a value that is inherently and indelibly connected to their materiality, but money represents this value in a way that is detached from any concrete materiality. Money embodies the disembodiment of value; it desubstantializes values. It is the objectification of an abstraction. Money is ‘the substance that embodies abstract economic value’.

To posit different things as equivalent through exchange and to subsume the diversity of the objects exchanged into a unifying form is a practice that involves an intellectual if not theoretical performance of the first rank. The abstract and the general usually meet as a result of intellectual processes, but in money abstraction becomes an element of a practical performance. There is a striking family resemblance between the form of money and the form of thought, and it is therefore no surprise that some people assume there is a genuine connection between economics and intellect, between the abstraction of money and formalization. Nietzsche already considered this possibility: ‘Making prices, assessing values, thinking out equivalents, exchanging – all this preoccupied the primal thoughts of man to such an extent that in a certain sense it constituted thinking itself.’ Alfred Sohn-Rethel pursued the analogy of money and intellect to the greatest possible extent: For him, the transcendental subject, and thus the philosophy of a universally valid and necessary a priori, is historically based on the commodity form: The abstractness of exchange is reflected in money and its representation is separate from all other commodities. Exchange, abstraction, and thought assist each other. It is no accident that the introduction of the coin form of money around 680 B.C. in ancient Greece was accompanied by the genesis of an abstract, logical form of thought. Sohn-Rethel interprets
this parallelism as a relationship of dependence: The abstraction of form is due not to thought, but rather to the social traffic of the money economy.

**Structural Properties**

Money’s potential for desubstantiation is therefore due to the fact that it consists of an independent kind of substance that is unlike all other substances. At the same time, however, the development of the money economy is undoubtedly accompanied by a dematerialization and virtualization of money, whose ‘manageable substance’ is increasingly displaced by debited money. How can this tension between the ‘corporeality’ and ‘disembodiment’ of money be understood more precisely? It is at least clear here that the identification of money and immateriality is not sufficient. Walter Seitter – like Sohn-Rethel before him – disagrees with the widespread notion of the immateriality of money: ‘Money is certainly not immaterial.’ But how is it possible to understand the ‘dematerialized materiality’ of money, which concretely embodies the disembodiment of value?

First, it must be taken into consideration that the physicality of coin and paper money ‘appears in the form of pieces’. As Seitter argues, these ‘pieces’ can be understood as solid and stabile objects of a manageable size, which are suitable for forming units that can be dissected or combined. Pieces are therefore manageable, which means that they also wear out. Coins become worn out, paper money becomes crumpled and ripped, yet the issuing institution always takes back ‘used’ money and exchanges it for ‘high value’ money. This phenomenon shows that the notion of money as solid objects or pieces has its limitations.

Money is discrete and mobile, and it thus ideally fulfils Niklas Luhmann’s expectations of media as quantities of loosely connected units. However, money shares this discreteness not only with solid objects, but also with speech sounds, letters, and above all with numbers insofar as they also constitute countable quantities of units. The notion of money as pieces can thus be interpreted as a pioneering form of the digital. Bernhard Vief has theoretically explored the parallels between the discreteness of money and the digitality of the binary alphabet, which functions as ‘token money’ in the universe of signs.

What is most significant here is that money is a ‘material’ that is designed to be countable. Pieces of money are distinct from other kinds of material in that they are not subject to physical changes over time, even when they are pulled from circulation.

It is no accident that money is always furnished with writing and images and always symbolically marked with numerical values. This unmistakably
shows that the materiality of money does not reside in the material form of its physical givenness but rather in the performativity of its social value. Because the natural form of money wears itself out, the continuity of its value can only be guaranteed in practice through the financial institution’s promise to replace worn-out money for free. The fact that the use of money does not decrease its value is a property that distinguishes money from ‘ordinary’ things – even stamps – but links it to linguistic signs. The ‘materiality of language’ also does not wear itself out. The reason for this is the (virtually) unlimited reproducibility of speech sounds. This is possible because it involves reproduction without an original. However, there is also a fundamental difference between money and language, which leads back to the exceptional nature of money: it is possible to produce linguistic utterances, but not money. As Walter Seitter says, money ‘always comes from an other, a distinguished Other’. Seitter also describes this extrinsic origin as the ‘heterogony and heteronomy’ of money. By virtue of this constitutive heteronomy money is scarce and everyone always has too little of it.

The dematerialization hypothesis falls short, therefore, not because the materiality of money consists in its physical materiality, but rather because it is based on the performative character of money. Money is a ‘social material’ whose material substance complies with the conditions of its desubstantializing function.

Greed and Miserliness
My insistence on the indifferentiality and neutrality of money as a medium of circulation remains incomplete if it does not take into account that the logic of the money function always undermines this indifferentiality. Money can become an end in itself through greed, the goal of which is to increase money, and miserliness, the goal of which is to conserve money. In this polarization of ‘excess consumption’ and ‘obsessive denial’, money is in each case estranged from its role as mediator. Dieter Thomä characterized greed and miserliness as two modalities of avarice: maximized earnings, on the one hand, and minimized expenses, on the other hand. In excess consumption money is spent in order to be equally as quickly replenished, and it must then be spent again; money thus becomes the promise of ‘living it up’ with an unlimited amount of goods, for which more money is always needed. Conversely, the goal of miserliness is to accumulate money, and the phenomenal features of these hoards of money often provide a physical and archaic sense of satisfaction. Consider, for example, the comic character Uncle Scrooge, who embodies the most extreme denial of the circulation function of money. Uncle Scrooge bathes in money every morning, he swims
in the expanse of cash in his enormous money bin or burrows through it like a mole, yet despite this tremendous fortune he eats dry bread and drinks tap water. He keeps his ‘number one dime’ – the first coin he earned himself – until a glass cover. The abrogation of the mediator role of money is thus part of this very role, which is true of almost all media.

What Does ‘Transmission through Desubstantialization’ Mean?

A Conclusion

(1) Money not only enables the exchange of goods, but rather it establishes rationalizable relations between people. Money peacefully equalizes situations of inequality (someone wants what someone else owns) by transmitting property such that taking and giving can be calculated. People only receive something when they are prepared to give something in return. The social logic of money is rooted in this reciprocity. Human relations become billable.

(2) Money establishes a relationship of equivalence between two things that are distinct and unequal. Money is the medium that homogenizes the heterogeneous through desubstantialization. ‘Desubstantialization’ means that the substrate of money is a non-commodity, which is devoid of all content and emptied of all substance. Against the background of this indifference with regard to materiality and the qualitative, money represents quantitative relations: its quality consists in a quantifiability that is unaffected by content. In this capacity it is a medium that represents value and enables the social exchange of material.

(3) Money’s historical tendency towards dematerialization – from especially valuable precious metals to mere credit and electronic money – represents the material manifestation of what money ideally embodies: complete indifference towards matters of difference and the abstraction of all content. As with every medium, negations and reversals of the mediator role are part of this role itself: greed and miserliness constitute the poles of an approach that strips money of its medial character.

(4) Nevertheless, the desubstantialization, dematerialization, and virtualization of money should not be misunderstood as immateriality. Rather, the materiality of money can be conceived in a non-material way: it consists in its practical medial function. The main feature of this function is the performativity of money. Something is money because it is used as money. The value that money embodies is based not on its materiality or its reference to a process of material exchange, but rather on the authority of the financial institution that creates it; trust and trustworthiness thus lie at the heart of monetary transactions.