Eyja M. Brynjarsdóttir

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EBSCO Publishing : eBook Collection (EBSCOhost) - printed on 2/12/2023 9:08 AM via
AN: 1915908 ; Eyja M. Brynjarsdttir.; The Reality of Money : The Metaphysics of Financial Value
Account: ns335141

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The Reality of Money

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The Reality of Money

The Metaphysics of Financial Value

Eyja M. Brynjarsdóttir

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London • New York

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Published by Rowman & Littlefield International, Ltd.
Unit A, Whitacre Mews, 26-34 Stannary Street, London SE11 4AB
www.rowmaninternational.com

Rowman & Littlefield International, Ltd., is an affiliate of
Rowman & Littlefield
4501 Forbes Boulevard, Suite 200, Lanham, Maryland 20706, USA
With additional offices in Boulder, New York, Toronto (Canada), and London (UK)
www.rowman.com

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British Library Cataloguing in Publication Information
A catalogue record for this book is available from the British Library

ISBN: HB 978-1-7834-8235-1

Library of Congress Cataloging-in-Publication Data

Names: Eyja Margrét Brynjarsdóttir, author.
Title: The reality of money : the metaphysics of financial value / Eyja M. Brynjarsdóttir.
Description: London ; New York : Rowman & Littlefield International, [2018] | Series: Values and identities : crossing philosophical borders | Includes bibliographical references and index.
Identifiers: LCCN 2018023026 (print) | LCCN 2018034767 (ebook) | ISBN 9781783482375 (electronic) | ISBN 9781783482351 (cloth : alk. paper)
Subjects: LCSH: Money—Philosophy. | Value—Philosophy.
Classification: LCC HG220.3 (ebook) | LCC HG220.3 .E69 2018 (print) | DDC 332.401—dc23
LC record available at https://lccn.loc.gov/2018023026

TM The paper used in this publication meets the minimum requirements of American National Standard for Information Sciences Permanence of Paper for Printed Library Materials, ANSI/NISO Z39.48-1992.

Printed in the United States of America

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Contents

Acknowledgments vii

Introduction 1

Part I: The Ontology of Money

1 What Is Money? 7
- The Question Posed 7
- Commodity Theory, State Theory, and Credit Theory 10
- Collective Acceptance? 14
- Alternatives to Collective Acceptance Theories 18
- Psychology 21
- Conclusion 25

2 On Monetary Value 27
- Exchange Value 27
- Aristotle and the True Function of Money 28
- Locke and Silver 32
- Another View on Intrinsic Value 36
- Conclusion 42

3 Is It Real? 45
- Different Senses of "Real" 45
- The Relevant Sense of "Subjective" 48
- Subjective Properties as Euthyphronic 50
- Contingency on the Actual 52
- Non-Idealized Subjects 55

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Egalitarianism or Elitism? 59
Secundum Quid and Extrinsic 62
Rarely Entirely Subjective 65
Money as an Interactive and Subjective Kind 66
Conclusion 70

Part II: Money in the World

4 Money as a Measuring Device 75
Exchanging One Thing for Another 75
Measuring Things 76
Measuring People 79
Money and Work 84
Commodification 88
Conclusion 94

5 Inequality and Money 97
The Problem of Inequality 97
Inequality and Poverty 99
Inequality and Power Relations 104
Justice and Rights 107
Conclusion 113

6 Women and Money 115
Unpaid and Owned by Others 115
Housework, Caregiving, and Other Unpaid Work 119
Women and Inequality 123
Climate Change and Gender 126
Conclusion 129

Conclusion 131

Notes 135

Bibliography 145

Index 151

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Acknowledgments

This book is the fruit of a research project entitled *The Reality of Money* that received a grant from the Icelandic Research Fund from 2015 to 2017. I am most grateful to other participants in this project and associated partners, including Gunnar Sigvaldason, Ole Sandberg, Ragna B. Garðarsdóttir, Guðmundur Jónsson, Ericka Tucker, Emma Tieffenbach, Antti Kauppinen, Joakim Sandberg, and Hallie Liberto for their various contributions to the project, big and small. The work has also benefited greatly from the support of colleagues and graduate students at the Department of Philosophy and the School of Education at the University of Iceland, including, but most certainly not limited to, Sigríður Þorgeirsdóttir, Björn Þorsteinsson, Henry Alexander Henrysson, Gunnar Harðarson, Nanna Hlín Halldórsdóttir, Ólafur Páll Jónsson, and Brynja Elísabeth Halldórsdóttir.

I had the pleasure of teaching two seminars on the philosophy of money in 2015, one at Bifröst University and the other at the University of Iceland, and learned a great deal from my students. In the fall of 2016, I worked on this book as a visiting scholar at the Department of Linguistics and Philosophy at Massachusetts Institute of Technology, and I thank the staff and faculty there for all their support and stimulation, especially Sally Haslanger. I have also gained immeasurably from giving talks and presentations on the subject matter of the book at various conferences and other occasions, both in Iceland and abroad, and getting feedback from the audience.

I am leaving out the names of friends and colleagues, too many to list, who have over the past several years provided me with countless enlightening and critical discussions and feedback on my writing. And I am eternally

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grateful for the loving support and patience of my family, including my parents, Jóhanna Bogadóttir and Brynjar Viborg, my sister Inga María Brynjarsdóttir, my daughters Sólrún Halla Einarsdóttir, Védís Mist Agnadóttir, and Iðunn Soffía Agnadóttir, and my continually amazing partner, Arngrímur Vídalín.

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Introduction

In the fall of 2008, the banking system of my home country, Iceland, collapsed. This was of course related to occurrences in various other countries around the same time, as financial markets worldwide are interconnected. But the big crash in Iceland was also due to things particular to the country. In the years preceding the collapse, the banks had been privatized and regulations had been left quite lax. Icelandic bankers and investors had managed to acquire large market shares, at least in proportional terms given the tiny size of the Icelandic nation. A micronation of 350,000 people on an island in the North Atlantic Ocean tends to have a bit of a self-image problem in the international community. There are few things that bother an Icelander more than when something from Iceland is considered quaint or provincial. Especially in recent years, it appears as if Reykjavik, our capital of a couple of hundred thousand inhabitants, is being promoted to tourists as a metropolitan city on a par with Paris or New York, and Icelanders make sure to emphasize how fashion-conscious and technologically advanced they are.

It was in this environment that Icelandic bankers and investors received abundant praise and encouragement in the years leading up to the financial crash. Those investing abroad were called “breakthrough Vikings” (*útrásarvíkingar*), suggesting that they were going on violent raids to get ahead on faraway shores. The banking system grew enormous compared to state finances, and there was talk of the exceptional talent Icelanders had in finance, which was supposed to have something to do with having descended from Vikings, or from people living under extremely harsh weather conditions, if not both.

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Needless to say, there were gaping holes in this explanation, such as the fact that most of the people from whom Icelanders have descended were not raiding Vikings. Not to mention, of course, that even if one has an ancestor from a thousand years ago who did go on Viking raids, there seems no particular reason to think that would have any interesting effect on one's genetic traits. And then of course we might wonder why the vast majority of Icelanders wallowed in poverty for all those centuries, with ravaging famines and whatnot, if they were all along blessed with this wonderful, almost magical, inherent talent for finance. At any rate, many people were swept up in the excitement over how well Icelanders seemed to be doing in their business ventures, and authorities and many in the general population were uncritical of some very shady happenings. Repeated signs of warning were not heeded.

The collapse in October of 2008 then came as an enormous shock. The general public had not been aware that the Icelandic state was legally responsible for the debts of financial institutions that were considered privately owned, and that had certainly been treating their profits as private. Following the crash, massive layoffs took place in various types of industries, there were enormous budget cuts in all types of governmental funding, the inflation rate went up, and many families had great difficulty in making payments on their housing loans. The public anger toward the government that had let this happen on their watch only grew, and the government resigned after about four months of intermittent protests.

It was in the wake of these events that I first became interested in money from a philosophical perspective. The list of questions that kept haunting me included "What is money?," "In what does financial value consist?," and "How can all this value have been lost when we look around and see no change in the world?" These are the questions, along with others of a similar kind, that I try to answer in this book.

As I am sure readers will notice, my interest is steadfastly philosophical. As for classification within philosophy, I have always felt that I live in the land of metaphysics, but I make visits to ethics and political philosophy, and I draw material from various other sources as well. I take it that this work can be said to have a social justice slant. I wish to emphasize that even though I discuss a few basic economic theories regarding the nature of money in the first two chapters of the book, I do not by any means delve deeply into the philosophy of economics. And even though this book is to a great extent dedicated to finding out what money is, I do not make any attempt at all to

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describe the process by which money is made by banks, through debts, and with other financial tools. While that in and of itself may be interesting for people to know and think about, I do not think this is the kind of book that should be the source of such information.

The book is divided into two parts. In the first part, The Ontology of Money, I focus on the matter of what we can take money to be. In the first two chapters, I go through some theories that have been put forth at various stages in history about what money is and how we should be thinking about monetary value. In chapter 3, I pose the question "Is money real?" and go on to show what that question might entail. I then argue at length that money can be understood as a subjective kind, albeit in a somewhat limited sense.

In the second part of the book, Money in the World, I direct the focus more outward, so to speak, and consider how money is and has been used. In the fourth chapter, I discuss how money has been conceived of in various ways as a measuring device, along with various issues that arise in connection with that. Chapters 5 and 6 are dedicated to the real-life effects of the use of money in the world, and its distribution. In chapter 5, I discuss various issues pertaining to economic inequality, and in chapter 6, I focus on the way women have been, and still are, at an enormous disadvantage in the world of money.

It is my hope that the two parts of the book will support one another in my attempt at drawing up a proper picture of what money is and how financial value works.

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Part I

The Ontology of Money

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Chapter One

What Is Money?

THE QUESTION POSED

There are many ways to respond to the question "What is money?" When I tell people that I am working on a book involving this question, they often ask whether I am researching the history of money. My focus, of course, is on answering this question from a philosophical perspective, and, more precisely, a metaphysical one. I do not think that the history of money is entirely irrelevant, but historical research alone will never yield a satisfying answer to what money is. Such research can certainly be illuminating and help us to gain understanding of various aspects of money—such as how it has been used through the ages, and how people view money and behave around it, which I believe can be helpful for understanding the nature of a social phenomenon such as money. And while many find it interesting to ponder how money may have originated, knowing exactly how it did is hopefully not required in order to understand money, given how difficult it is to find out how money originated. While there is some anthropological evidence suggesting certain things about the origin of money, such hypotheses have so far been fairly speculative.

We also need to consider that we live in a world that keeps changing, and that the things in the world keep changing as well. Most likely our use of money now is in many important respects quite different from the way it was used wherever it first originated thousands of years ago. Can we assume that money is static; that the best way to learn about its true nature is to find out about the way it was a very long time ago; and that a correct description of

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what it is and what it is like will be the same, whether it is of money as it is now, or money as it was then?

First and foremost, I do not think that the question “What is money?” can be answered solely through historical research, because such research presupposes an answer to the question. What I mean is, if I am to search among ancient artifacts for the oldest examples of money, then I must have some kind of criteria in place. What kinds of artifacts that I might possibly find would I be ready to call money, and which ones would I reject as such? In other words, it does not seem possible to find out about the origin of money without having first determined what kinds of things should count as money—or at least, having a working theory of it.

Of course, we could try to find out how the English word *money* has historically been used, or corresponding words in other languages. Then we could trace through written records and decide that money was whatever seemed to correspond to that word. This would be a poor research method, but at least some way of coming up with a criterion. Another method would be to decide on a function, such as objects serving as a medium of exchange, and then try to find out when such objects had first been used in order to determine the origin of money. But in that case, we would already be using “objects serving as a medium of exchange” as a definition of money.

This is a common problem in searches for things that are not clearly defined. Take the search for the historical Jesus. There are certain descriptions of Jesus Christ that people familiar with Christian doctrine tend to associate with that individual, such as being the Messiah; having been born in Bethlehem sometime around the year AD 1; having traveled around Galilee preaching certain doctrines and performing miracles, such as changing water into wine, walking on water, and resurrecting a dead man; and being crucified and then subsequently returning from death. When a corresponding individual is sought in historical records, however, most of this is of little use, let alone if we wish to determine whether Jesus *really* existed as can be confirmed by such records. Looking in historical records for an individual who could walk on water and who rose from death seems like a recipe for failure. What historians taking on this task need to do is to decide on certain necessary and sufficient criteria for the historical Jesus. That is, a certain description to which an individual must correspond in order to be considered the historical Jesus. Presumably, that might have something to do with name, birthplace, ancestry, having traveled around as a prophet, or some combination thereof, or something even more complicated.

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A search for a particular individual is of course somewhat different from a search for something like money. There can be many kinds of things that we might be willing to accept as money on different occasions, during different periods of time, in different societies. And as I have mentioned, the criteria for what qualifies as money could change with time. But even so, there needs to be some common thread—something that makes it clear that we can use the term *money* to refer to all of these cases. There must be some kind of theory of money.

The aim of this chapter is to consider various different theories of money. I will go through some theories of money people have favored. What is it that makes something count as money? What is it that gives money its value? Why do we accept money as payment? How can money be defined?

Different kinds of objects have counted as money. Shells, cigarettes, pieces of metal, paper notes, electronic signals, and so forth. All of these vastly different kinds of things have been accepted as currency. Thus, identifying money or monetary properties with some fixed physical properties is not likely to be a fruitful method. What seems more promising is to find a definition in terms of a function or a role that money serves.

Let us take a closer look at the difference between those two kinds of definitions:

An example of a *reductive* definition of money would look like this:

> *Money* $=_{def.}$ *paper of type X printed with ink of type Y, with text and pictures of type Z.*

Another example:

> *Money* $=_{def.}$ *round pieces of gold with a diameter of 2 to 3 cm, engraved with numbers and pictures of heads of state.*

This is called a reductive account because with such an account, money can be reduced to some form of physical thing. There is a way in which these kinds of definitions may have worked as definitions of valid currency of particular states, at least until credit and debit cards and other forms of electronic payment began to complicate things. At that time, valid Icelandic krónur, for example, could have been described in terms of the paper bills and coins accepted as such and validated by Icelandic authorities. But this would not have worked as an account of what gave Icelandic krónur their value, and it would clearly not have worked as a general account of money.

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In other words, it could yield a satisfactory description in order to be able to identify money, but it would not be a proper definition.

The problem with a reductive definition of money is that money can have many different forms, and it is by no means limited to a particular type of material. Nobody would maintain that money *is* just gold coins or just paper notes. There are, however, occasions in which the physical properties of particular types of money have been made directly relevant for the representation of its value. Simple vending machines that only accept coins are a good example. They are designed to measure the size and shape of coins and to determine value on that basis. There is no way to get such a machine to accept a paper bill, a check, or a card payment instead, even though it should have the same currency value.

What would be called a *functionalist* account, on the other hand, is an account where the particular form or material is irrelevant. What matters is the role served. A functionalist theory could look like this:

> *Money $=_{def.}$ an object that is generally accepted in return for goods and services by a particular society, and is specifically designated as such.*

This is only one way to formulate a functionalist account of money. All of the accounts considered below are of the functionalist variety.

COMMODITY THEORY, STATE THEORY, AND CREDIT THEORY

So-called *commodity theories* of money have been put forth by many, in various versions. One version can be found in Carl Menger's "On the Origin of Money," from 1892.[1] Menger claims that the function of money was to serve as a means of exchange from one commodity to another. When person *A* has too much of one kind of commodity, but needs another type of commodity which person *B* has, money serves as an intermediary to help with the exchange. Thus, money serves a temporary purpose: Goods are exchanged for money, and money is then exchanged for other goods. However, money itself is also a commodity, and this is what makes it possible to use it in exchange. Money is just a commodity that is more convenient to carry around than the goods meant for exchange, and it is more universally exchangeable, which makes it better suited as currency than the more regular commodities, such as fish or flour. But it is still a commodity, which is why this can be called a commodity theory. Money is the kind of commodity that

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everyone is willing to buy, so to speak, or accept in return for something else, or offer in return for something else.

The origin story that tends to be associated with commodity theories is one often told in economics textbooks: Back in olden times (it is usually not specified when), people were bartering goods, but for several reasons this became inconvenient. Suppose one person went fishing and had a surplus of fish, but needed some flour and some milk. If that person were to stick with barter, they would have to find someone with a surplus of flour and someone with a surplus of milk who each needed fish and were willing to make an exchange, and during the search, the fish would have to be carried around. Using money as an intermediary made this all much easier. While stories such as this one are popular, it is unclear whether they are correct accounts of the origin of money. I will address this again below in the discussion of credit theories.

The associated origin stories are not the most important parts of the accounts; there are other, more pressing concerns associated with commodity theories. One is that people accept and use money that does not have any value on its own—for example, forms of money that are clearly not a commodity. The money that we use now is not a commodity in the sense of having any kind of value apart from its exchange value;[2] it is not based on a gold standard, and is thus what is called *fiat money*. It is difficult to understand on the basis of a commodity account why I should think of fiat money as having any value, or why I should be willing to accept fiat money in return for my goods. Proponents of commodity accounts will have solutions to this, such as that the role of being a medium of exchange can be sufficient to make money a certain kind of commodity. Others, however, may find such an answer unsatisfactory.

A common way to address this problem is to suggest that money relies on collective acceptance: If we presuppose that we collectively accept money in exchange for goods, each of us can think of it as having value by relying on this collective acceptance. The so-called *state theory*, often attributed to Georg Friedrich Knapp (1842–1926), is a basic version of a collective acceptance account of money. According to the state theory, the value of money is derived from an authority who assigns value to it. The authority holds power by collective acceptance of the people in the society in question. This is how the decisions of the authority are considered to be based on collective acceptance. The basic idea, then, is that some figure of authority or an institution declares that a given object is valid as money and is to be accepted as such,

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and this is what makes it money. There does not have to be anything in the object itself that makes it valuable; the value is derived from a convention or an agreement. This is called a state theory because the idea is that the agreement usually consists in the head of state or a state body, such as a central bank, making declarations about money.

The state theory yields a different picture of the function of money than the commodity theory. According to the commodity theory, the function of money is clearly to be an intermediary in the exchange of goods needed for consumption. According to the state theory, there is no such story. Money is a standard of value, vouched for by the state. What matters with the state theory is that it can be used to pay taxes to the state. Money is defined as the main means of payment, but it does not have to be for commodities.

According to the state theory, it makes an enormous difference *who* it is that produces the money and validates it. A piece of paper that says "1000 ISK" and looks and feels exactly like a one-thousand-krónur note is still not a "real" one-thousand-krónur note, and not real money unless it is printed in the right place and declared by the Icelandic central bank to be an Icelandic one-thousand-krónur note. It is of vital importance to have it vouched for by the authority; otherwise, it is not proper money. Instead, it would be counterfeit money.

On the other hand, if we were using something that clearly was commodity money, such as shells or cigarettes, it might not really matter where it came from. Suppose I were in a prison where cigarettes were used as currency and I acquired some cigarettes. I would be able to use the cigarettes as currency, and those making exchanges with me would for all intents and purposes not care how I had acquired them. Those cigarettes would be considered valid currency as long as they were cigarettes, regardless of where they were made or who had vouched for them. All that mattered would be that the cigarettes had the properties appreciated by the people I was making an exchange with, such as whether they were good for smoking. And if I were able to make cigarettes of my own that others would appreciate, then that might be just fine as well. A strict proponent of the state theory of money might claim that this showed that the cigarettes were not proper money, even though they served a similar role and were used as a medium of exchange. The same could be said if the currency was gold. If people were using pieces of gold of a certain shape and weight as currency, and I were to find my own gold mine and produce my own pieces of gold of the same weight, there

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would be nothing wrong with these gold pieces from this point of view. They would be just as good as any other gold.

If currency, or money, is something that has to be issued by authorities, then I cannot just print my own one-thousand-krónur notes whenever I am short of money, no matter how good my printer is, and no matter how convincing these notes might look. It will never be money unless it has been approved by the state. It makes all the difference where and how the money is made, how it is issued, and by whom it is approved. It has to be legal tender; otherwise, it will be fake money. The state theory of money is also called *chartalism*. This is derived from the Latin word *charta*, which means "token" or "ticket." The idea is that money is a token for value, rather than being of value itself. The commodity theory, on the other hand, has been called *metallism*, as it is based on the idea of precious metals being a medium of exchange.

As I mentioned above, the commodity theory tends to rely heavily on the legend of people beginning to barter goods, needing to exchange them because of their needs, and running into practical problems because they did not have the right goods available or because their goods were not portable. Money was allegedly invented as a solution to these practical problems. Others have objected to this origin story, including the anthropologist David Graeber.[3] Graeber claims that this story is inconsistent with available anthropological evidence, and that it can only be considered an incoherent myth. He argues that descriptions of bartering societies with people needing goods in return for other goods tend to sound unconvincing. For example, they seem to rely on there being social mores in place that are already similar to the social mores of a society where money already exists and people expect to get something of equivalent value in return for their goods.

The story of money that Graeber prefers is a story of debt: a *credit theory*. With his account, money did not originate as a value but as debt to the state or some official body. The credit theory is consistent with a state theory in that an authority is needed to make the money valid. The original function of money, according to Graeber, is to have a means of paying taxes or other debts to the authorities. Thus, money was created as a system for calculating debts, and barter is a more recent phenomenon.

The credit theory of money is not new. A well-known proponent of the credit theory in the past was Alfred Mitchell-Innes (1864–1950), and related views can be traced all the way back to ancient Greece—Plato, for example. According to Mitchell-Innes, the nature of money is debt-based. When mon-

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ey is created, a debt is created at the same time. When a commodity is bought for money, the person making the purchase is taking on an obligation to pay a debt, and then the debt is paid with the use of money.

COLLECTIVE ACCEPTANCE?

One of the most influential contemporary philosophical accounts of money is the account of the American philosopher John R. Searle (1932–). Searle gives an account of money as a social institution[4] which is an example of a so-called social agreement or collective acceptance account, and it falls under the state theory of money. Taking a close look at what is going on in Searle's account is a good way to see what is going on underneath the surface of an account of money and monetary value. In other words: What does it take to give an account of money? Quite a bit of stage-setting is needed in order to understand the various concepts that Searle employs.

According to Searle, some things in the world are completely independent from whether we, or other sentient beings, are observing them, or have any attitudes toward them; the sun, for example, or electrons, gravity, photosynthesis, or trees. These things are there no matter what we, or any observers, are thinking or doing; they would be as they are, or they might have existed, even if we had not. These things are *observer-independent*.

Things that are *observer-dependent*, on the other hand—or *observer-relative*, as we might call it—are things that would not exist without an observer or observers. Some examples are money, universities, and imaginary friends. And sometimes observer-independence and observer-relativity are not about objects but about features of objects, so that an object can have some features that are observer-independent and some that are observer-relative. The sun, for instance, has all kinds of features that are observer-independent, such as a certain temperature, its shape, and its size. But let us suppose that it is worshipped by a group of people, or that it is my favorite star, or what I like to think about as I fall asleep at night. Those would be observer-relative features. If attitudes toward the sun were different, the sun would not have these features.

Another notion to consider is intentionality. It is often claimed that mental states, or at least most mental states, are intentional in the sense that they are always directed at something or about something. Intentionality is sometimes called "aboutness." A belief is always a belief *that* something is happening: I believe that it is raining—I do not just hope or fear (e.g., I hope *that* the

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weather will be good tomorrow, I fear *that* there is a monster under my bed, etc.).

Collective intentionality is joint intentionality in a social setting. It does not mean that I have my mental states and that you have yours, but that we as a group believe something, hope something, decide something, declare something, desire something, or intend something that is different from when each of us does the same individually. Cooperation takes place, and the idea is that the collectively intentional state cannot be reduced to a collection of individual intentional states. So if we as a group collectively desire something, it is not the same as if each of us individually desires the same thing. According to Searle, collective intentionality is a precondition for society.

The next prop on the stage is the function. What is characteristic for any tool is that it has a function: We use tools because they have a certain function; we use them for some particular purpose. And sometimes we assign functions to things that we find, even if we do not make them ourselves. We let them play a role, so to speak. In a society, according to Searle, we collectively assign a certain status to an object or a person who by virtue of that status can perform its function. This is what he calls a *status function*. Various kinds of social roles that people have in a society are status functions, such as being the queen, or the president, or the teacher, or a student. Moves in games are also status functions. In general, anytime we can say about something: "*X* counts as *Y* in context *C*," we are describing a status function. In order for a status function to work, the status must be collectively accepted by the group, or by the society. For instance, for someone to be able to be president, the others in the society must accept that this person has the status of president and that this status has some kind of meaning and authority. Otherwise, the president (or, in this case, the person trying to be the president) is incapable of carrying out the function of a president. Likewise, if two people are playing chess and do not both agree that the pieces that look like horses are those with the status of the knight, moving according to those rules, the game will not go very far. Or if people in general do not accept that the red light in traffic has the status of the signal telling them to stop, it will not carry out its function of being a stoplight. Collective acceptance does not have to mean that everyone is happy with what is accepted—some people may dislike the rules—but it does mean that people in general go along with it.

Status functions have, according to Searle, so-called deontic powers. This means that they have the power of *ought* in them. People are supposed to

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heed them. Our collective acceptance of a status function entails that I ought to accept the status of the person or object with the function in question. So even if I did not like the president, or I did not like the parliament's decision, I would go along with accepting this person as the president or accepting the parliament's decision because that is a part of the agreement. Or even if I do not feel like stopping, I stop at the red light because that is what I ought to do, according to the rules of the collective agreement.

Yet another important aspect of the stage-setting here is the role of language. Searle emphasizes that language is a precondition of social institutions, and of status functions. Without language, we cannot describe what it is that is supposed to take place. We cannot describe the rules that we are supposed to follow: the function. How can we come to an agreement about red traffic lights, or presidents, if we do not have language to describe the agreement? We use language to perform so-called speech acts. A speech act is what takes place when we use language to perform something, such as when we make a declaration. Some examples of speech acts are making a promise, making an official announcement, pronouncing a couple married, baptizing an infant, or taking an oath. And we use speech acts for status functions all the time by declaring that this thing here counts as such and such. When we announce that an *X* counts as *Y* in *C*, such as that this person is the president, we are performing a speech act.

Now we should be ready to consider what Searle says about money specifically: Money is a social institution. An institution, according to Searle, is "any collectively accepted system of rules (procedures, practices) that enable us to create institutional facts. . . . The creation of an institutional fact is the collective assignment of a status function."[5] This means that its existence is observer-relative, dependent on us, and its value is contingent on collective acceptance; money would not have value if it were not for our joint agreement to accept money as payment for goods and services. If we were to give up our acceptance of money tomorrow, it would be rendered worthless; its value is entirely dependent on our collective acceptance of it. But as an institution involving status functions, money has deontic powers; we feel compelled to abide by certain rules around it.

Anything that is used as money has a status function that can be described as counting as money in the circumstances in question. Now, here things become more complicated. Originally, Searle thought that only material objects could count as money in any given circumstance. His claim was that

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there always had to be something material that would count as money. He argued for this quite emphatically, but he ended up changing his mind:

> I was operating on the assumption that currency was somehow or other essential to the existence of money. Further reflection makes it clear to me that it is not. You can easily imagine a society that has money without having any currency at all.[6]

What Searle thinks now is that money can be what he calls a free-standing *Y*-term: There is nothing in particular that counts as the *Y*. There is a status function but no object that takes on the function. It is like having a presidency without a presidential candidate. This sounds odd for that particular example, so it may not work for all social institutions, but the example Searle has in mind would be electronic money. After all, electronic money does not seem to have much of a physical substance.

Furthermore, it seems at least possible to think of a payment system that is purely logical. We can think of a world where everyone has a perfect memory, is perfectly honest, and is very good at basic arithmetic functions. In such a world, money could consist of simply telling people how much credit they have, and they could keep track of it in their heads. Whenever they would need to pay for something, they would tell the shopkeeper how much they were paying, thereby subtracting that amount from their own personal account that they were keeping in their head, and the shopkeeper would add the amount to the shop's account. When people got their monthly paychecks, they would simply be told how much they were getting, and they would add that amount in their heads to their accounts. A fictional planet with an economic system similar to this is described in Eric Frank Russell's science-fiction novel *The Great Explosion* (1962).[7] We may, however, be hesitant to call such a system a *monetary* system, or think of the payments as *money*. It is possible that the risks we usually associate with money—such as the risk of dishonesty, of miscalculations, or of people spending their money unwisely (in Russell's novel the inhabitants of this planet are extremely prudent in their spending)—are essential to our concept of money. This is something we need to consider when we try to answer the question "What is money?"

To consider an account similar to Searle's, Frank Hindriks has argued that money is what he calls *acceptance-dependent*.[8] What he means by this is that what makes something a piece of money is that the community accepts it as such. This can happen in two ways. Something can become money and have

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value as money in a particular community because the community members agree to accept it as money. This is what happened in prisoner-of-war camps when the prisoners jointly agreed to accept cigarettes as currency. But something can also become money through the vouching of an authority, which is what holds for our current system. In that case, there is indirect collective acceptance in play. According to Hindriks, acceptance-dependence is subjective to a considerable degree; if our agreement to use our current money were to cease, it would cease to be money. Hence, for something to be considered money, it is dependent on our attitude toward it.

ALTERNATIVES TO COLLECTIVE ACCEPTANCE THEORIES

I briefly mentioned the Austrian economist Carl Menger above, the founder of the Austrian school of economics and a major contributor to the theory of marginalism. Some criticisms of Searle's theories of money have been derived from Menger's work. Menger died more than a decade before Searle was even born, so we could hardly call his views a direct criticism of Searle's views, but this is critique based on his views.

In his paper "The Origin of Money" from 1892,[9] Menger gives as mentioned above a story of money evolving from bartering because it was, and is, more practical. As Menger explains it, it makes sense to take up an intermediate good with high marketability instead of everyone looking for a suitable match for their bartering needs. This highly marketable intermediate good will end up serving as money if many people do this and it becomes dominant in its use. Now, Searle and Menger agree in their accounts that there is nothing specific required in the physical features of the intermediate good. All kinds of things can be used as money. Where they differ, however, is that Menger thinks there does not have to be any particular collective decision or agreement for this to take place. All I need to do when deciding to use the intermediate good is to consider whether others are likely to accept this good in exchange with me. I do not need any joint decision, joint declaration, joint desire, or joint anything with them: I can act individually.

Menger does not think money is based on an agreement. He calls that kind of explanation of money "the classical explanation," but claims that he has shown, with scientific arguments, that this classical explanation of the origin of money is not correct. That is, Menger claims to have shown that money is not based on a collective agreement, which he calls "intentional common will." So money, according to Menger, is created when a certain

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kind of good, or commodity, becomes predominantly chosen as an intermediate good in exchange by individuals for its high marketability, and all these individuals make their choices by themselves. Thus, according to Menger, the money system is not something that our ancestors have purposefully created together in cooperation. It is an unintended consequence of their self-interested individual actions.

In her paper "Searle and Menger on Money,"[10] Emma Tieffenbach argues that Searle and Menger are bound to disagree about the deontic implications. Remember that Searle claims that status functions have deontic power. We have a collective agreement to accept the given currency as payment, and that means that in a sense, I *ought* to accept it and use it to pay for goods. For Menger, this does not seem to hold. Suppose that through a coincidence, as Menger describes, a community of people have come to use cowry shells as money. Now someone—Tieffenbach calls him Sam—decides to use coconuts instead. On Tieffenbach's interpretation of Menger's account, there is nothing wrong with that. If someone wants to accept Sam's coconuts as payment or give him coconuts for his goods, rather than cowry shells, there is no reason to complain. There is no reason to say that Sam *ought* to use cowry shells; he has no obligation to do so. If he does not like cowry shells and does not want to use them, then so be it. It might be impractical for him, but he is not breaking any rule.

While Menger accepts that there is a deontic apparatus in place in society, he attributes that to a legislative authority which does not rest on a collective agreement. We may be required by state law to use a particular type of currency, and the type of currency used nowadays is not some kind of money that people have spontaneously begun to use because it was a marketable commodity, and Menger would of course understand that. The reason, however, according to Menger's interpretation, is not that there is a collective agreement in place, but simply that there is state legislation in place.

Another critique of Searle's theory can be found in the paper "What Is Money? An Alternative to Searle's Institutional Facts," by J. P. Smit, Filip Buekens, and Stan du Plessis.[11] Smit, Buekens, and du Plessis claim that while facts about money can be considered institutional facts, such facts do not always require collective intentionality. More precisely, they think that facts about money can be reduced to what they call "natural facts," or facts about individual intentionality.[12]

Smit, Buekens, and du Plessis argue that instead of being explained as collective intentionality, institutional facts can be explained through actions

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and incentives. The reason why we stop at a red traffic light, they say, is that we have been incentivized to stop. The same holds for money: We have been incentivized to use money, to use it when exchanging goods and services, to accept it as payment, etc. This holds for each of us individually and does not have to be explained in a collective manner. Searle's account of borders is used as an example here. Searle has given a description of a border coming to be an institutional fact with a story of a tribe that builds a wall around its territory. The wall disintegrates over time, but people keep respecting the boundaries of the line where the wall used to be and behave accordingly. The line now has the status of "*X* counts as *Y* in *C*," or, to be more precise, the line counts as a border in the context of this community.

Smit, Buekens, and du Plessis tell a different story of two people stranded on a desert island who become enemies, draw a line across the island, and threaten to beat one another up if the line is crossed. They have created a border that cannot be crossed, but there is no collective intentionality here. Each person is thinking and acting as an individual and there is certainly no cooperation or agreement. But each of them has an incentive not to cross the line, not wanting to get beaten up by the other one, and that is what counts. What has happened here, they say, is that the shipwrecked enemies have created an institution—the border—but there is no collective intentionality involved.[13]

Now, let us turn to the account Smit, Buekens, and du Plessis give of money as a rejection of Searle's claim that money is constituted by collective agreement. They offer another story of people stranded on an island. This time around, there are three people: Alex, Bob, and Carol. They barter their goods, and for some reason they have cigarettes with them even though they do not smoke. Suddenly, Alex declares that he will accept cigarettes as currency in exchange for certain goods. It might make sense for Bob and Carol to start accepting cigarettes in trade with each other as well because of this. Suppose Alex has several nice things that both Bob and Carol would like to be able to acquire from him. Each of them knows that if he or she gets more cigarettes, it will pave the way for future trades with Alex. In the end, all three of them are using cigarettes as currency. Of course, we usually do not have communities with only three people; communities tend to be much larger and more complicated. But the gist ought to be clear.[14]

As Smit, Buekens, and du Plessis describe it, their purpose is to give an alternative to Searle's "*X* counts as *Y* in *C*" account. The alternative they offer is "*X* that *S* is incentivized to act in *Z* toward." *S* is a subject, and *Z*

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describes a context or circumstances. What Smit, Buekens, and du Plessis share with Menger is that they think that facts about social institutions can be reduced to facts about individuals. They do not think collective acceptance or collective intentionality is needed for money. While Smit, Buekens, and du Plessis may think of intentionality as necessary, they consider individual intentionality sufficient.

PSYCHOLOGY

In recent decades, there has been considerable interest among psychologists in finding out more about what it is that motivates people in their behavior around money. What is it that drives us to accept money in return for our services? Why are we so eager to plan our lives around our abilities and chances to earn money? Why do we covet money so much? In addition to research on human behavior and attitudes toward money, others have considered to what extent it is rational to covet money or to plan one's life around earning money.

There is a strong tendency in the natural sciences to give evolutionary explanations for various common traits in human behavior. If such an explanation were to be given for the human tendency to covet money, it would be along the lines of the idea that appreciating money was in one way or another adaptive. That is, the claim would be that those who covet money would be better off from an evolutionary perspective, be better fit for survival or for having surviving offspring, than those who did not. As it seems clear that our prehistoric ancestors did not have money, the explanation would have to be modified. It could not be just about coveting money directly, but perhaps the explanation could involve a trait that was less specific. We could have an explanation to the effect that going after money was the rational thing to do, as those with money tend to be better off than those without, and that generally behaving rationally is an inheritable trait. But this seems much too vague. There are very many ways to behave rationally, and someone who behaves rationally in one way may fail to behave rationally in another. This trait is much too broad to be considered one inheritable trait. This points to certain difficulties with coming up with evolutionary explanations for behavior around money.

What may be more fruitful is to consider the human attraction toward money itself. What kind of motivation lies behind it? There clearly is a strong human motivation to obtain money; we see it all around us. What we do see

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is that money is an incentive; people are willing to do all kinds of things they otherwise would never do in the hope of receiving money in return. Money is also a powerful reinforcer; if a person receives money for a certain type of behavior, they are likely to keep repeating that behavior.

One explanation for this has been called "the tool theory." According to the tool theory, money functions as a tool to serve our ends. Money in itself is not an end; that is what it means for something to be a tool. We do not want tools for their own sake, but for another purpose—to help us acquire something else that we want. The idea here is that we use money to acquire various commodities—things that we need or desire, or services that we can get from other people. This is why we like money: It is a useful tool to help us get other things we need or want, but it's not because we want money for itself. To give a clearer idea of what this entails, it is necessary to introduce the notion of exchange value, which will be revisited in chapter 2. It is commonly considered a defining characteristic of money, that its main value consists in so-called exchange value, rather than use value. An object's use value is the value consisting in what can be done with the object itself. Its exchange value, on the other hand, consists in what can be gotten in exchange for it. And when money has the purpose of being exchanged for other things, its value lies in its exchange value.

Stephen Lea and Paul Webley have argued that there are some indications that the tool theory does not give us the whole psychological story.[15] Various psychological tests indicate that people tend to covet money *above* its exchange value, or not just for those other things they can acquire for it. We tend to value money for itself rather than just as a means to acquire the things we need or want. For instance, the brain activity when people receive money has been shown to resemble the activity in the brain that signifies immediate reward rather than delayed reward, which would be more in order with receiving a tool, as a tool will produce something that can be enjoyed at a later time. Another problem is that we have a tendency to overestimate the exchange value of money; in other words, our happiness when we are given money is disproportionate to its exchange value. We really seem to be more excited about money than it merits, if we only look at what we can achieve with it as a tool. At least there seem to be some empirical reasons to think of a tool theory of money as inadequate.

Lea and Webley propose replacing a tool theory of money with a drug theory. First, let us consider what they mean by a drug theory. Lea and Webley emphasize that just as the tool theorists do not think of money as

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literally a tool, like a knife or a hammer, a drug theory of money does not involve the claim that money is *literally* a drug, like heroin or alcohol. According to the drug theory, money has a similar psychological effect on us as that produced by addictive drugs. This is supported by its being a strong incentive and a powerful reinforcer. It means that money can prompt similar responses in us to those produced by drugs. Money will not produce these responses through a chemical process like literal (or actual) drugs do, but it can do so in an extended sense by producing similar neural, behavioral, or psychological effects. This happens at a cognitive level.[16]

Lea and Webley claim that all explanations of human attitudes toward money can be sorted into either a tool theory or a drug theory. Roughly put, a theory according to which money is appreciated for its own sake, where money somehow works as an incentive because of something about itself, will be classified as a drug theory, whereas a theory considering the usefulness of money as an instrument for acquiring other commodities will be classified as a tool theory.[17]

Lea and Webley cite various empirical findings in support of their drug theory. In short, they do not doubt that money can in many cases function as a tool; that is not being contested. What they are objecting to is that a tool theory can fully explain the human motivation toward acquiring money. And if the tool theory is not sufficient, something more is needed. It is not really a problem for Lea and Webley and their drug theory that many cases of human behavior toward money are tool-like. If there are cases as well that cannot be explained with the tool theory, and that require something like a drug theory in order to be explained, that is sufficient for their needs. In other words, it is sufficient for a drug theory that some of human money behavior is drug-like. It does not have to be the case that all of it is.

One of the examples cited by Lea and Webley in support of the drug theory is what has been called the *money illusion*: People have a tendency to think of money in nominal terms rather than in real terms, or in terms of actual purchasing power. That is, people will focus on the amount of money, the figure at hand, more than what can be acquired for it. For instance, in times of inflation, someone whose wages go up by 10 percent may be under the impression that she has gotten a pay raise, while over the same period, price inflation has been 15 percent, and the purchasing power for her salary has actually gone down. Money conservatism is another example: People tend to be very conservative regarding what kind of money they like to use. In the United States, for example, people have been extremely reluctant to

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take up the use of one-dollar coins, so efforts to introduce them have not been very successful. Other related examples include coin collections and other kinds of collections of monetary objects.[18]

What is it about money that is being sought after and admired? Is money being valued here *as money*, or is there something else about the coins that people appreciate? For example, if people collect coins because they find them pretty, it may not be clear that it has all that much to do with their being money. People collect all kinds of other things as well that are not money: stamps, stickers, buttons, dried flowers, etc. And regarding, say, the reluctance of Americans to give up the one-dollar notes for the one-dollar coins, it is not quite clear what the money as a motivator has to do with that reluctance. People are conservative regarding all kinds of things, and as Lea and Webley admit, they do end up giving up their conservatism regarding money when currency loses its value. So money conservatism is not a very good example.

Lea and Webley mention hoarding of money in connection with addiction. Here we need to remind ourselves that they are not claiming that money is strictly speaking a drug, but they do wonder all the same if money could be addictive. Examples in support of this are workaholism, compulsive gambling, compulsive shopping, and the hoarding of actual money—but they do not get into this in much detail. In a response to their paper, David Booth claims that it does not make sense to speak of addiction, but that they should instead be considering a hoarding instinct, which various animals have.[19] So rather than limiting us to a tool theory and a drug theory, we should, according to Booth, add a *hoarding theory* as an explanation. Just as various kinds of animals hoard things that they for some reason want to collect, humans have an instinct toward hoarding money.

Taboos regarding money are yet another example supporting a drug theory, according to Lea and Webley. In most societies there are various social customs associated with giving or receiving money. It might not be considered appropriate to offer a close friend or relative money for a favor, or to offer money as a gift to someone of a higher social status or age. Children rarely send their grandmothers money for their birthdays, for example, and money as a holiday gift from an employee to a superior would at least in many places be considered odd. Furthermore, there are various things that might be considered well beyond the reach of money, such as sex, friendship, or love. Lea and Webley argue that if money were just a tool, it would always

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be considered the best gift, as it could always be used to buy whatever the recipient wanted.[20]

It could be argued, however, that this last example does not make a very convincing case for the drug theory. First of all, let us consider the claim that if money were a tool, it would always be considered the best gift. Does this have to be the case? Surely, there can be all kinds of reasons for rejecting tools as gifts. Even good tools can be useless in certain situations; there is no tool that can accomplish everything. Furthermore, there are social mores associated with the giving of some tools. In various countries it is considered bad luck to give someone a knife, and customs have been developed around the recipient's having to pay the giver a nominal amount of money in return for the knife to avoid the bad luck. Also, the reason why we reject money for things such as sex, friendship, or love may have something to do with exactly the instrumental status: We are rejecting the possibility of sex, friendship, or love being replaced by something quantifiable. It is not because we think of *money* as special, but because we think of *sex*, *friendship*, and *love* as special, and we cannot accept having them considered something that can be acquired with a tool. The reason why we are not willing to sell our family members to the highest bidder is presumably not that we fetishize money, but that we think of our loved ones as far too precious to be exchanged for money.

While examples such as the money illusion may support a drug theory, it seems to me that Lea and Webley's use of social taboos concerning money renders unconvincing support. What does seem convincing from Lea and Webley's account is that money is a strong motivator for our behavior, which requires explanation. They also convincingly point out that human behavior around money is often very erratic and irrational, and not very consistent with practical, rational use of a simple tool.

CONCLUSION

In this chapter, I have given an overview of a few theories about the nature of money. They stem from somewhat different directions, and I have my reasons for introducing such a mix. While I said at the beginning of this chapter that I considered my quest for and answer to the question "What is money?" a search for an answer to a metaphysical question, I do not believe that focusing too strictly on methods and theories from traditional metaphysics will yield the kind of answer I seek. The collective acceptance theories of the kind offered by Searle and Hindriks are in many ways promising, but they

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leave many questions unanswered that seem inevitable. For example, while it sounds quite plausible that the arrangement of accepting money in exchange for goods and services is built upon a social agreement of sorts, there is at the same time a range of issues concerning money in our world that suggests that this agreement must at best be extremely problematic. Thus, in order to gain a better understanding of what money is, we need to consider it in a wider social context.

We are only at the beginning of our journey. The next stop will hopefully provide a fuller picture of those theories through an account of monetary value.

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Chapter Two

On Monetary Value

EXCHANGE VALUE

Exchange value is a prominent term in Marxian economics. The idea, in short, is that a commodity has two kinds of value: use value and exchange value. The *use value* consists in the use that can be had from it—from whatever can be done with it. Its exchange value, on the other hand, consists in whatever can be acquired in exchange for it if it is traded. What is special about money is that it is used to express, or measure, the exchange value of various other commodities. And especially in later times, people have come to argue that the value of money primarily consists in exchange value. The notion of "exchange value" is not limited to Marxian theory even though the particular term originated with Karl Marx. It is a notion that has proven useful in many contexts, and very similar notions can be traced back to much older accounts of money.

Of course, money can have various forms, and we can think of different uses of the objects used as money. For example, coins can be useful to count things, as pieces in a game, or if we need to make a random decision and "flip a coin." And a paper note, at least if nothing else is available, can be used as material on which to write important information, or even for blowing one's nose. But these are clearly not the primary uses of money. Most of its value consists in the ability to acquire other things with it. Furthermore, other forms of money, such as electronic money, seem to have no use value at all, although they clearly have exchange value.

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The overshadowing of exchange value over use value as a feature of money becomes explicit in R. A. Radford's account of how cigarettes became currency in prisoner-of-war camps in World War II.[1] The prisoners received a limited amount of goods, in Red Cross packages and, in some cases, in parcels from relatives. They began to trade these goods, and those who did not smoke would offer cigarettes to the smokers in exchange for something else. The result was that cigarettes became a currency with an exchange value well above the use value. Those made of good tobacco were smoked, but the cheaper brands became pure currency and were never smoked, as their exchange value was much higher than their use value.

ARISTOTLE AND THE TRUE FUNCTION OF MONEY

In his philosophical work, Aristotle was, among other things, very focused on teleology, or theories about the purpose of things. The nature of a human being, for instance, had something to do with the true purpose of the human. And for objects, what mattered was to study their function; they should be defined in terms of their function. Each and every object, according to Aristotle, has a proper function, which defines what it truly is. The true function of a knife, for instance, is to cut. Cutting is what the knife is made for—what its maker has in mind when making it. The knife may have other side functions, or auxiliary functions, as well: I can use a sharp knife to spread butter on a slice of bread, I can use a knife to stir my soup, and I can use a knife that I am holding in my hand to point at something that I am talking about, etc. These functions can be useful as well, but none of them are the proper function of the knife. If we asked what this object is, none of these side functions would be the answer.

So it comes as no surprise that when writing about money, in chapters 8 to 10 of book I of his work, *Politics*, Aristotle is very focused on the purpose or goal of trade or exchange.[2] Money, according to Aristotle, appears through its role in exchange for the sake of the management of the household. In other words, in order to manage the household, we need various goods; we need to eat, we need tools and instruments, clothes, building materials, and so on, and we may need to trade for those that we do not produce ourselves. The needs of the household are the starting point. Exchange, for Aristotle, has four levels:[3]

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1. The first is simply exchange of commodities, which can be called C-C (commodity for commodity). This is simple, but it can be inconvenient. I cannot always be carrying my loaves of bread wherever I go in order to trade them for something else, and sometimes it may be difficult for me to find someone who needs a loaf of bread who has something to offer that I happen to need. This is where the second level of exchange comes in with money as an intermediary.
2. On the second level, I sell my loaves of bread and get money in return: C-M (commodity for money). Then I take my money and buy the commodities that I need to keep my household running: M-C. In short, this is C-M-C. Aristotle calls this form of exchange *natural chrematistike*.
3. The third level is what Aristotle calls *unnatural chrematistike*, M-C-M. Here, I start out with money, use it to buy goods that I do not need, and then I sell these goods for a higher sum somewhere else and make a profit. Aristotle finds this problematic because he thinks it involves people taking things from one another, and because it does not serve the true purpose of exchange.
4. The fourth level is usury, *obolostatike*, the lending of money at an interest, M-M, or "the breeding of money from money," where no goods or commodities are in the picture, which Aristotle finds despicable.

Now, let us consider each of these levels with their purposes, or ends, more closely in mind and think about what this has to do with the nature of money. On the first level, trading one commodity for another, the purpose seems clear. I need something for my household that someone else has in abundance, and that other person happens to need something that my household has in abundance, and we can each fulfill our needs by this trade. We exchange goods. The end is the consumption of goods: The people of the other household consume the bread made by my household, because they need to eat, and the people in my household use the cloth woven in the other household.

On the second level, C-M-C, the end is the same: the consumption of goods. The only difference is that money has entered the picture as an intermediary. Here we can think of the proper function of money as representing the goods that can be exchanged for it. I sell my loaf of bread for money, which then represents a value, estimated by how much work goes into getting

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the flour and other resources for the bread, and then baking it, and by what other goods can be acquired for this amount of money, such as the piece of cloth that I end up buying instead, which we can assume here represents a similar amount of work and resources. Money is here being used as a tool to satisfy our needs, and we can say that its proper function is to serve as an intermediary to help us get these needs satisfied: my need for cloth, and the other household's need for bread.

It is on this level that the true function of money is reflected, according to Aristotle. Money derives its value from this function. We can certainly use various things as money that have value for their own sake—that are useful in their own right. We could, if we wanted, use loaves of bread as money, although they might be too large to carry around very often. But what gives something value *as money* is that it can be used in trade. Here we see a notion very similar to Marx's exchange value. I can use money to get a loaf of bread, or a bar of soap, or something entirely different. The value that a certain amount of money has consists in what I can exchange it for, regardless of whether I have it in the form of a piece of paper, in coins, or on a computer screen when I log into my bank account. This latest version was obviously not available to Aristotle, but the same thought persists—that what makes something money is that its value mainly consists in its exchange value.

On the third level, M-C-M, something different seems to be happening. I am making money for its own sake. I start out with money, use it to buy goods I have no use for, and turn them into more money. But Aristotle's idea was that the purpose of money was to enable me to consume the goods that I needed. What is going on here, then? Aristotle calls this *unnatural chremastitike* because it does not seem to fit with the proper function of money and it does not serve the natural needs involved in the exchange of commodities. Its proper function was to enable the exchange of commodities, but exchanging money just to get more money does not fit with that at all. The purpose seems lost. Something similar can be said about the fourth level, *usury*, or M-M, where money is being made out of money.

The exchange value of money can, according to Aristotle, be good because we can get useful things for it, but it can never be final. What is the good of accumulating things with exchange value for their own sake? True wealth consists in things with use value. Collecting money only in order to acquire more money means accumulating exchange value, which in and of itself is useless. It might come in handy at a later time, of course, in exchange

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for needed commodities. But not if the ultimate goal is the acquisition of exchange value. It is only in virtue of being exchanged for things with use value that money has value. So it can never make sense to collect money just for its own sake.

An obvious consideration here is that it may seem strange for Aristotle to think of these actions as somehow isolated in terms of their purpose. Let us suppose I go to the market with some money, buy something I do not need, and then sell it at a higher price and thus go home with more money. I have made an M-C-M exchange, which is unnatural on Aristotle's account. However, this exchange could be a part of a much longer series. I might have acquired the money I had with me because I originally sold some goods. And my intention with the exchange on this particular day could be to be able to come to the market the next day and purchase some goods I need for my household. That changes the series to C-M-C-M-C. Even the usurer at level four could be lending out money originally acquired by selling goods, with the goal of using the profits to purchase goods, making that series C-M-M-C.

Over a longer period of time, it can be impossible to tell where the series of money and commodities begins and ends. Suppose I bake some bread and sell it, using flour bought with money that someone gave me. Am I starting out with M or C? And then I go through my life with various exchanges of C-M-C-M-C-M-etc. I always need to keep selling bread and purchasing things I need for my household, and also some raw materials, such as flour, so I can keep making more bread. And perhaps it will be a matter of coincidence whether my last exchange, before I die, will have been an M or a C.

But this is not the main issue here. We can still detect two recurring threads in Aristotle's thoughts on money, both of which can be found in his ideas about the proper function of money. One is the notion of exchange value, and the other is his condemnation of usury, or of lending money with interest. There is a long history of usury being banned, or at least of strict rules being applied to it, in Judeo-Christian and Muslim thought, although Westerners have in later times managed to find ways to lift this ban.[4] This ban is very much in line with Aristotle's ideas about there being something wrong with making money out of money, and the general consensus seems to have been that the practice of usury was exploitative.

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LOCKE AND SILVER

John Locke (1632–1704) is best known as a leading figure of British empiricism, such as for his work, *An Essay Concerning Human Understanding*, where he wrote on knowledge and sense perception. Locke is also well known for his ideas on government and his influence on the Enlightenment movement, with his views on liberalism and democracy, and on property rights, in his *Two Treatises on Government*. Locke's views on money and monetary value have not survived as well, but they were quite influential in his time. In order to explain what they were about, it is necessary to set the stage first.

In the last decade of the seventeenth century, England underwent a currency crisis. During this time, England had coins made of two kinds of metal: gold coins and silver coins. The gold coins were worth quite a bit more than the silver coins. What happened during the course of the seventeenth century, however, was that the price of gold began to fall and the price of silver began to rise, so that the gold coins became overvalued (given their weight), and the silver coins became undervalued. Silver was sought after in neighboring countries and thus more valuable in other forms than it was as English currency. An English silver shilling weighed a fifth of an ounce, but an ounce of silver could be sold for a price equivalency higher than five shillings—in France, for example.[5]

As a reaction to this, people began to shave or clip off the edges of the silver coins and sell the clippings abroad in Europe where they could get more value for them, or even to melt the coins into silver bullion to sell abroad. On the other hand, the situation was reversed with gold, as the market for gold bullion was bad. Those who happened to have some gold bullion were best served by bringing it to the Royal Mint and having it minted into gold coins. Nobody in their right mind would do that with silver bullion, as it would be more profitable to sell it. This resulted in a serious shortage of silver currency, the one most often used for day-to-day trade, as well as for paying wages, such as to soldiers.[6]

The remaining silver currency was in bad shape. Something had to be done in order to introduce more currency into the system, and people wondered about the best way to do so. An unchanged system seemed likely to result in the continued problem of people melting silver coins into silver bullion. This was the situation in 1695.[7]

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William Lowndes, the secretary of the treasury, advised that the exchange rate be changed so that instead of minting five shillings out of an ounce of silver, new coins with less silver content should be made. What Lowndes was effectively suggesting was a change in the rate of currency, nowadays known as inflation.

This is where Locke began to interfere. He was strongly opposed to this idea and published two pamphlets with his arguments against it.[8] According to Locke, silver had a natural, intrinsic value, which was exactly what made it so suitable as money. The idea of raising the value of silver coins made absolutely no sense to him. The value of the coins was intrinsic, so raising the value meant trying to change it into something that it was not. Silver had its value as a precious metal because of its properties and because it was relatively scarce, and this was not going to change. These were qualities of silver that were fixed and this, in turn, fixed the value of the silver. On the basis of this, Locke argued that it should not make any difference whether silver had the form of bullion or the form of a minted coin; the value was all in the metal itself, and an ounce of silver would always be of equal worth to an ounce of silver:

> Hence it is evident, that an equal quantity of Silver is always of equal value to an equal quantity of Silver.
>
> This common Sense, as well as the Market, teaches us. For Silver being all of the same nature and goodness, having all the same qualities, 'tis impossible but it should in the same quantity have the same value. For if a less quantity of any Commodity be allowed to be equal in value to a greater quantity of the same sort of Commodity, it must be for some good quality it has which the other wants. But Silver to Silver has no such difference.[9]

Thus, trading silver seemed completely meaningless. Why would anyone bother to sell silver, if the right price for it would be an equal amount of silver? Yet people *were* trading silver all the time, and silver bullion was being sold at a higher price than silver coins. This would seem difficult for Locke to explain. Another conundrum is why people continued to accept the clipped silver coins at face value. Surely, that would be an irrational thing to do, given his arguments. What was left of the coins was often in rather bad shape, and sometimes they were barely half their original weight. A silver shilling that was supposed to weigh a fifth of an ounce was, after being clipped, perhaps just over a tenth of an ounce. Yet people would accept it in trade as currency as a shilling and not as half a shilling. How could Locke

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explain this if the value of silver coins was supposed to be intrinsic and fixed? A possible explanation is that all of these people were in error, deluded, mistaken—in the dark about the *real* value of the silver money. If so, perhaps it would be possible to correct this mistake by somehow enlightening them about the real intrinsic value of silver coins.

Locke's way of thinking probably seems strange to us in the twenty-first century. We are used to using things as currency that very obviously have no or very little value apart from their being accepted as money.

In theory I could use a 5000 ISK note to blow my nose, so I suppose it is not completely without use value, but I would get better value by buying myself a handkerchief. And the form of money that we seem to be using most nowadays, electronic money, seems to have absolutely no value apart from its being money. Its value consists solely in the exchange value—or at least it is very difficult to imagine why anyone would want it for anything other than its being money. So the idea that the value of money ought to be intrinsic and fixed may seem very foreign to us. Of course, Locke was not thinking about money made out of thin air, but money made out of a particular substance: out of silver—and gold as well, for that matter, although that was not his concern at this moment.

This makes somewhat more sense; claiming that silver has intrinsic value must make more sense than claiming that electronic signals have intrinsic value. However, we are also used to seeing vast changes in currency rates, inflation, and in market prices for various things going up and down. Even the idea that an ounce of silver is always worth the same as an ounce of silver seems suspicious. Maybe someone happens to covet some particular piece of silver more than another piece. Supply and demand seem to matter.

In other words, the idea that in trade, the value is something that we humans, who do the trading, bring with us to the currency may seem obvious now. And it seemed obvious to many of Locke's contemporaries as well, who argued, contrary to him, that the value of the silver was extrinsic rather than intrinsic. Locke claimed that the value of money had been created by the value of silver and gold; that the value of silver money could be derived from the intrinsic value of silver. His opponents, on the other hand, argued that it was the other way around, and that silver derived its value from being useful as currency. Several responders to Locke, such as James Hodges, Richard Temple, Nicholas Barbon, and John Cary made claims to the effect that money got its value externally, and that this held for silver as well. The value of money and silver could rise and fall in accordance with supply and de-

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mand, and that it was our deciding to use it as money that gave silver its value, and that this value was subject to change depending on fluctuations in what could be bought for it. John Houghton claimed that money is anything "the Government of each Dominion set a mark and value on," and coin "is good for nothing, but potentially is good for everything."[10]

The distinction between use value and exchange value does not quite apply to this debate, as the line of thinking seems somewhat different. Those arguing that the value of silver, and of money, was external were not really making claims about anything we might call exchange value, but rather that the value of money and silver was derived from its usefulness as currency. So they spoke in terms of its being useful, and its value being derived from that. But even though they talked about use, this is different from the use value Marx had in mind and which we can also attribute to Aristotle. And on the other hand, Locke was denying that money derived its value from use. This does not mean that he was attributing exchange value to it. His rejection of extrinsic value is also a rejection of the role of the king, or the monarch, in this. How is a king supposed to be able to change the value of money by some declaration?

The value Locke attributes to money is imaginary, unique, and universal. By imaginary, he means that the value has been assigned to it by humans. However, he thinks that after it has been assigned, it is fixed, and becomes intrinsic to the money. It may sound strange that something can at the same time be imaginary, fixed, and intrinsic. The idea is that the value is imaginary in the sense that humans have assigned this value to silver and thereby fixed it, and thus it cannot be changed retroactively. It is an agreement among mankind to value silver and gold, and a way to acquire private property—something of which Locke is wary. That is, he justifies the ownership of private property, but only to the extent that the owner can utilize the property.

Here we have a similarity between Locke and Aristotle: Neither of them likes the idea of people accumulating money just for the sake of collecting it. But Locke is defending property rights that he considers natural, and they do not seem to fit well with the social aspects of money. However, he keeps trying to get his theory of money to fit into this naturalistic picture. This may also explain to some extent his claim that the value of money is intrinsic. Once value has been assigned to precious metals, it is there to stay, and does not change. What really counts is that the value of money is derived from the value of the metals in it: the value of the gold and silver. That is why he calls

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it intrinsic. On the other hand, those who consider the value of money extrinsic think the value of money comes from outer forces, such as a ruler or a king, who decides that a certain piece of money is going to be worth one shilling, or from market forces, the demands of the market or such. And this was an idea that Locke did not like.

To get to the end of the story about the currency crisis: Locke's advice was heeded, and in 1696 new silver coins were minted at the same value as before. As expected, many of them were melted into silver bullion right away and sold off.

ANOTHER VIEW ON INTRINSIC VALUE

Georg Simmel was born in Berlin in 1858. His family was of Jewish origin, but later converted to Christianity. The Jewish origin, however, was to have an impact on Simmel's career, as he had trouble securing a permanent academic position in Berlin due to anti-Semitism. Simmel is best known as a sociologist, and although *The Philosophy of Money* (1900) is his longest book, it is not very well known.[11] It can be classified both as a sociological and a philosophical work. Simmel's interests included the psychological workings of social life, the sociological workings of interpersonal relationships, the social and cultural "spirit" of his times, and the nature and inevitable fate of humanity. Simmel took an interest in various forms of human communication and interaction, and he thought society was based on human communication taking various forms and being prompted by humans themselves. He believed that sometimes, forms of communication would become stale and rigid, turning into traditions that individuals no longer had any power over. He thought of society as a web or melting pot of various pieces that appear in human interaction.

Simmel thought of economic exchange as social interaction. One person has something that another person wants, and exchange in the form of buying the object for money is bound to be social. According to Simmel, since money can never have intrinsic value and thus cannot be valued in the same way as the desired object, the interaction involved in economic exchange will be impersonal, and more so than barter with two objects would be. We can only imagine what he thought would happen, then, if monetary exchange became the predominant form of social interaction. Interaction would become impersonal, and personal ties between people would fade away. Money involves quantitative measures, which would then replace the qualitative

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features of human interactions that characterize friendship and aesthetic appreciation.

Money, for Simmel, symbolizes modernity. In this respect, he was influenced by the ideas of the sociologist Ferdinand Tönnies (1855–1936). According to Tönnies, a distinction was to be made between a *Gemeinschaft*, or a community, and a *Gesellschaft*, a society. *Gemeinschaft* consists of communication and cooperation, but *Gesellschaft* consists in a contract or treaty of partners with different interests. A *Gemeinschaft* is characterized by a sense of trust; people working together consider themselves to have joint interests that each member tries to promote as best they can. In a *Gesellschaft*, individualism rules. Each party has their own interests, to variable degrees consistent with other individuals' interests, and each of them is party to a contract because it is in their best interest to do so. *Gemeinschaft* is soft and personal; *Gesellschaft* is hard and impersonal. Tönnies claims that the world of women is characterized by *Gemeinschaft* and the world of men, by *Gesellschaft*, the latter being necessary in a city environment.

According to Simmel, money as a symbol of modernity and a characteristic of an impersonal mode of interaction between two parties only preoccupied with their own interests fits well with Tönnies's idea of a *Gesellschaft*. The migration from smaller communities to larger cities—where people were more isolated from one another rather than living together in villages, forming communities—was also a sign of modernity. With money, according to Simmel, people can make isolated exchanges focused on particular commodities. This does have the advantage of increasing personal freedom, but at the cost of isolating the individual from their social group previously based on kinship. Thus, money does not merely serve as a measure of value, but has a much more powerful social effect of cutting personal ties and being a great contributor to rational modernity.

Money is modern in the sense that it provides a means for changing ownership over and above the "primitive" forms of theft, gift-giving, or barter. It is a system of value that enables goods and services to be converted into a common medium. Comparison between them, with an eye toward exchange, is now possible. It is also a "public institution" in the sense that it mediates between the parties involved in an exchange. Simmel is concerned with money as a symbol, and what some of the effects of this are for people and society. This implies impersonal, rational ties among people that are institutionalized in the money form. For example, relations of domination and subordination become quantitative relationships of more and less wealth.

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The use of money distances individuals from objects and also provides the means of overcoming this distance. The use of money allows greater flexibility for individuals in society, such as traveling greater distances and overcoming person-to-person limitations.

At the heart of all of this is Simmel's notion of value. Simmel believed that value is created by people as they make objects, and then separate themselves from those objects and then try to overcome that distance. He found that objects that were too close were not considered valuable, and neither were objects too far away to be obtainable. Also relevant for determining value are scarcity, time, sacrifice, and difficulties involved in acquiring objects. The basis for value, however, is desire. A subject makes an object valuable by desiring it and thus assigning value to it. Simmel thinks of the pre-modern era as involving different systems of exchange for goods and services, allowing for the existence of incommensurable systems of value (land, food, honor, love, etc.). With the advent of a universal currency as an intermediary—that is, money—these systems became reconcilable, as everything tended to become expressible in a single quantifiable metric: its monetary cost.

The value of an object is very different, according to Simmel, from the value of money. We assign value to things around us, to all kinds of objects, depending on what they are and what they are like. These things have value because of something about them, and we cannot really compare their value; they have incommensurable value because they have different qualities that cannot be compared with one another. In order to exchange one thing for another, we must somehow decide that their value is equivalent, which is problematic if it is not measurable or quantifiable. How do we determine that the value of two very different things is equivalent? What makes exchange possible is that we have a system that quantifies the value, and that, of course, is the monetary system. The specific, qualitative value of the things is transferred into the nonspecific, quantifiable monetary value for exchange.

It is important to note, however, that value according to Simmel is always subjective in the sense that it is assigned by the human subject. We assign value to the objects around us because there is something about them that we desire. But their value is specific because there is something specific that we desire. The value of objects is also intrinsic, in Simmel's terms. For many, this may come as a surprise, as "subjective" and "intrinsic" are often considered incompatible traits. But what Simmel means with his claim that the value of objects is intrinsic to them is that there is something about the

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objects themselves that we desire and value; there is something *in* them that we assign value to. Money, on the other hand, does not have any intrinsic value according to Simmel, or at least there is no need for money to have intrinsic value. We can of course use certain kinds of objects as money that have intrinsic value in Simmel's sense. However, Simmel argues that what would function most perfectly as money would have no intrinsic value at all, and that the less intrinsic value money has, the better it serves its purpose as money.

In the case of objects other than money, which Simmel thinks have intrinsic incommensurable value, there are some features that are unique that make us value them. In the case of money, there are no such features—or at least there need not be any such features. To that extent, we can think of Simmel's intrinsic value as similar to use value. It is characterized by something that can be done with the object or gained from the object that we might desire or that we might appreciate it for.

Contrary to objects with intrinsic value, money can only have extrinsic value, according to Simmel. We do not value it because of features specific to it, but because it can be used in exchange for other objects, or as an intermediary in exchange with commodities. The only reason why money could have intrinsic value is if we happen to use some commodity as money. But *as money*, it only has extrinsic value. Simmel envisioned "perfect" or "conceptually correct" money as something that had absolutely no intrinsic value, which is something we may have achieved now with electric currency. His idea was that money is only supposed to be a quantitative measure of value in order to enable exchange. Intrinsic value will only get in the way. Thus, conceptually correct money is money that is not limited by anything; it is detached from every substantial value that limits its quantity. Alongside his idea of perfect or conceptually correct money, Simmel envisioned a notion of unequal pricing. That is, in a perfect world, or a utopia with conceptually correct money, the price that people paid for things would differ depending on how much they would be able to pay. As the monetary value is relative anyway, the amount of money, or the monetary measurement, could differ in this way in accordance with the ability of the individual to pay.

Simmel pointed out that having money could be more satisfying than having the things that could be bought for money. What this means is that the value of money is not solely to be explained as exchange value. Recall that exchange value is the value that consists in the value of what can be gained in exchange for the money. And we have already established that Simmel did

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not think that (perfect) money had intrinsic value. So the value that he had in mind was something different from this. He thought that money had a certain surplus value, consisting in a satisfaction of having a choice of things to buy: "The value of a given amount of money is equal to the value of any object for which it might be exchanged plus the value of free choice between innumerable other objects."[12]

Various psychological tests indicate that people tend to covet money above its exchange value, that we often overestimate the value of money (in terms of exchange value), and that we tend to value money for itself rather than just as a means to acquire the things we need or want.[13] Furthermore, despite a plethora of evidence to the contrary,[14] we take it for granted that acquiring more money is a worthy goal under most circumstances, such that maximizing our monetary possessions at the cost of various other things we could do with our time is a good way to increase our general happiness. To some extent this latter phenomenon could be explained by money's exchange value—in other words, that we (probably falsely) believe that the things we can acquire with money are likely to improve our lives. However, given that we tend to desire money for itself, the exchange value is hardly the sole explanation. Hence, we attribute a certain amount of excessive value to money. In this light we may wish to go back to the theories considered in the previous chapter about what money is. What kind of theory can explain this?

Does it make a difference, for example, whether a commodity theory or a state theory is accepted? Many of the thinkers that have been considered in this chapter and the past one have held a commodity-based view, such as Aristotle, Locke, and Simmel. Simmel may appear different from Aristotle and Locke in this respect, given his ideas about perfect money that is not to have any intrinsic value. However, he seems to think of the function of money as an intermediary in the acquisition of commodities, just as Aristotle and Locke. Collective acceptance theorists such as Searle and Hindriks, on the other hand, or those favoring a credit theory, hold a different view on the function of money, such as that it has to be vouched for by an authority and that its primary function is to pay debt or taxes to the authority. Given either type of theory, a commodity theory or a state theory, the exchange value is supposed to be the most prominent value of money. Based on a commodity theory, the exchange value is what is important when it comes to using money as an intermediary in exchange. And given a state theory, the authority or social agreement assigns an exchange value to the currency. Either

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way, it becomes difficult to explain why we place value on money for its own sake.

The collective agreement as described by Hindriks and Searle involves accepting money as a temporary substitution for goods and services, in order to later have it replaced by other goods and services we may need or desire. Simply put, we have an agreement to give money exchange value. This value is subjective in the sense that it is attributed by the subjects that are party to the agreement. Unlike things that may have objective value independently of such an attribution, money has its value assigned to it by us, as members of a society—as parties to an agreement. The problem is that there is nothing in the agreement about assigning value to money over and above the exchange value. Does this mean that there is a mismatch between the intention behind the agreement and its result? Does it mean that our control over money, and perhaps over other social objects, is limited despite the fact that such objects are supposed to be made up by our intentions? How is this best explained?

Of course we can return to Simmel's idea that the freedom of being able to buy various different things is more satisfying, and thus has more value, than the things themselves. And certainly it is easy to think of circumstances where this seems to be right. It can be convenient, liberating, and welcome to have the ability to choose among many different things instead of having the choice already made for us. Some have argued on such grounds that money is always the best and most valuable gift that one could receive. On the other hand, there are various kinds of circumstances in which this does not hold. One example is circumstances we might call dire. If I am about to starve, getting food directly seems more valuable than getting money to choose between food and something else, or between different types of food. Or if I am cold, getting warm clothes and a roof over my head have immense value, but money to choose between such things has lesser value. Another example is circumstances in which we form personal attachments to objects. A hand-knit sweater given to me years ago by my now-deceased grandmother has much more value to me than had she given me an amount of money somehow considered to be of equal worth. And then of course the attachment to objects does not have to be because of attachment to people; there are all kinds of reasons why people covet particular objects or particular kinds of objects.[15]

We can still claim that Simmel is right about some of the cases. That is, at least some of the time, it is reasonable to value money more than an object that could be acquired for the same amount of money—to value money over

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and above its exchange value. And the reason in those cases would be that it gives us a certain amount of freedom. Another reason why people seem to value money is that money ownership yields social power or other forms of high social status. Especially those who have a great deal of money are by virtue of that fact able to influence various things in society and even the behavior of other people. This is not only because they are able to pay for things they want, pay other people for doing things they want them to do, and so forth, but because being wealthy in and of itself gives them an authoritative status. A perhaps less extreme case of this is the status struggle seen through people's consumption of various products showing their financial—and thereby fixing their social—status.[16]

CONCLUSION

I have considered here some notions of value, how some of them might be monetary value, and how different thinkers have had different ideas about what monetary value might be like. Most of them seem to agree that monetary value is subjective, even though they have somewhat different ideas about what that entails. What is somewhat troubling given our behavior around money and our attitude toward monetary value is that it seems as if we do not have full control over the value of money. Even though its value is meant to be subjective, something that we as a society assign to it, we lose control over it in some respects. It is hardly our wish or intent that wealth or money ownership should come with added social power, over and above the ability to purchase things for the money involved. While most people in a democracy may wish to have a financial system running, it is unlikely that most of them favor the side effect of wealthy people being able to influence society in undemocratic ways.

People also come to notice that having a lot of money changes them, even against their will:

> Even the American embassy was different. He had been refused a visa years ago, when he was newly graduated and drunk with American ambitions, but with his new bank statements, he easily got a visa. On his first trip, at the airport in Atlanta, the immigration officer was chatty and warm, asking him, "So how much cash you got?" When Obinze said he didn't have much, the man looked surprised. "I see Nigerians like you declaring thousands and thousands of dollars all the time."

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> This was what he now was, the kind of Nigerian expected to declare a lot of cash at the airport. It brought to him a disorienting strangeness, because his mind had not changed at the same pace as his life, and he felt a hollow space between himself and the person he was supposed to be.[17]

This is an example from Chimamanda Ngozi Adichie's novel *Americanah*. The character, Obinze, who is reflecting on changes that have taken place in his life—he has become wealthy—does not seem to be in tune with the change in his identity that others seem to perceive. He feels out of place and not very different from his old self. However, there seems to be a certain expectation not only that money has value, but that having money changes people's value. And furthermore, we seem to keep trying to use money to measure the value of various things, which is something we will consider in greater depth in chapter 4.

Before doing that, we will consider the matter of whether money is real—the topic of the next chapter.

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Chapter Three

Is It Real?

DIFFERENT SENSES OF "REAL"

As I indicated in chapter 1, money is classified as a social object or a social kind, if we think of it as a kind. Social objects and social kinds are typically considered to be socially constructed. This leaves the subject matter of money open to certain concerns, such as whether it is in some sense not properly "real," as the socially constructed is by some considered less real than that which has come to exist through other means. On the other hand, money clearly affects people's lives in countless ways; people strive to earn it, and those without it suffer. So how could money be less than real? At first we may need to consider what is meant by "real" in this context.

We deal with money every day, and it is a moving force in society. We must work to earn money, we yearn to acquire more money, we have all kinds of institutions dedicated to money, we follow news about money, we fight over money, and people even die because they lack money. How could anyone doubt that money was real? However, we often hear people say that money is not real, or that it represents a value that is not real. And given that money is not much beyond a representation of value, then it seems to stand and fall with monetary value. If monetary value is not real, then money is not much either. We certainly seem to have some reasons to doubt the reality of monetary value. A highly priced currency can become worthless overnight because of events in the financial market. The value of a currency seems to be affected by obscure elements such as derivatives, which make very little sense to most people. We speak about bubbles in the market, thus indicating

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emptiness. And of course, people like to say that money is not what really matters in life; that it is not in money or other worldly goods that we find *true* value. So perhaps there is a sense in which money, or monetary value, seems unreal.

Let us consider more closely what it might mean to make the claim that money is not real. Of course someone might want to call it real in one sense while not real in another. What we need to explore, then, are the senses in which money could fail to be real. When the claim is made that something is not real, the obvious question to ask is what it is instead. What is implied to be the opposite of "real" seems to be highly context-dependent. Is that which is claimed not to be real nonexistent? Is it existent but fake? Is it imaginary? Unreal? Fraudulent? Inauthentic? Or are there yet other alternatives to be considered?

First, let us consider the opposites, "real" and "fake." One type of fake money is toy money, such as money used in board games or that would come with a toy cash register. We can also call such money "pretend money." Its purpose is to be used within the context of a game, and the reason why it is not considered real is that it cannot be used in the same way we normally use money. But most often when people talk about fake money, they are referring to counterfeit money. Thus, a distinction is made between "real" money and counterfeit, or "fake," money. The fake or counterfeit money is a certain kind of money that fails to fulfill certain criteria that would make it real or valid, or what is often referred to as "legal tender." It is probably misleading to call it "a certain kind of money." I should refer to it as something that resembles money, or as a type of money-like thing. The exact difference between counterfeit money and legal tender has varied in different periods of history. When people used money made of precious metals, it was important that real money would be made of them, and not of something else that resembled that metal. This mattered because the precious metal in question, such as gold, had a value that was accepted and approved of by authorities and the remaining society.

When it comes to paper money or coins made of less significant metals, the currency gains its validity purely through the history of how it has been made, which is how it has gained its approval from authorities. A paper bill is considered legal tender, and thus real money, if it is printed on behalf of legal authorities with their approval, with the appropriate approved methods for printing money. Otherwise, it is counterfeit money. Someone else might start printing bills that resembled the legal bills exactly; they would be of the same

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kind of paper, printed with the same kind of ink, bearing the same picture. They would still be counterfeit if they had not been printed by a legally authorized facility.

The kind of money often used nowadays, electronic money, makes this even clearer. If I were to find a way to hack my online bank account and add a few million to my balance, would I then have added "real" money? Perhaps the answer to this could be contested, but I am inclined to think that I would have added fake money. However, there would not be any difference in kind between the electronic signals emitted from my newly acquired bank account balance and the balance that was in my account before. For example, if I were to start using my fake money to pay bills online, or if I went on an online shopping spree, the recipients would have no way of distinguishing it from real money. For this reason, some might be tempted to claim that this would not be an example of counterfeit money, but of stolen money. But let us suppose that it was completely certain that my hacking shenanigans had not consisted in transferring money from anyone else's account into mine, but just adding to the amount in my account. It could be argued that my actions had the effect of inflating the system, thus indirectly causing a devaluation of other people's money. But the same can be said about "good old-fashioned" counterfeit paper money. Thus, it should not be called stealing, except in the sense that counterfeiting in general is a subcategory of stealing.

When it is said that counterfeit money is not "real," the implication is not that its ontological status is fundamentally different from other money, but rather that it is not genuine. It is not what it purports to be, but rather something posing as something that it is not. In the same manner, we may say of someone practicing medicine without the proper training and license that they are "not a real doctor." This would not imply that the person in question was less "real" in an ontological sense than someone who happened to have a medical license. Furthermore, it would not have to imply anything about the actual existence of physicians. We might say that someone is "not a real witch" or "not a real miracle worker" without believing in the existence of real witches or miracle workers. However, it is necessary for such a claim to be made to have a conception of what it would take for someone to be a real witch or a real miracle worker. The claim then implies that the person in question does not fulfill those conditions, regardless of whether anyone exists who does.

Sometimes, what is meant with the claim that money is not real is that money does not have the kind of value that really matters. An example of this

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is a saying that has been attributed (falsely or correctly, I do not know) to Cree Indians: "When the last tree is cut down, the last fish is eaten, and the last stream poisoned, you will realize that you cannot eat money." This can be understood as the idea that what really matters is being able to live off the goods of the land, and that greed can harm us if our focus is on changing everything into money. In the end, we will also lose that which we are living off. But this can also be understood less literally as the claim that value does not only consist in having wood for building houses and fish to eat, but also in things such as the beauty of nature that will also be lost through greed. And of course we do not have to stick to this particular saying. We can consider other things that have been mentioned as values that cannot be gained for money, such as love, friendship, the company of other people, the scent of rainfall, the smile of a baby, family ties, human kindness, or a sense of justice. The value of money is of a different kind than the value of these things, and the implication is that if money does have any value, it should still not be considered *real* value.

Yet another interpretation of the claim "Money is not real" is that it is subjective or mind-dependent. Or, to be more exact, what the speaker likely means is that monetary value is subjective. This is perhaps the most common reason for thinking of money as not "real." What we need to consider here is why we should think of monetary value as subjective, and what it entails for a property, such as value, to be subjective. Furthermore, we need to consider whether it is right that what is subjective is less real than that which is not subjective.

For that purpose, I am going to undertake an exploration of subjective properties and consider some of their most important attributes or characteristics. After that, we can return to the matter of whether the subjective should be considered less real than the objective, and thus whether there is a reason to think of monetary value as less than real because of its being subjective.

THE RELEVANT SENSE OF "SUBJECTIVE"

The pair of terms *subjective/objective* can stand for many distinctions.[1] Sometimes it indicates an epistemological distinction. In that case, what we know objectively or have come to know objectively is something we know without an allusion to our personal experiences or a personal point of view. What we know subjectively is, on the other hand, something we base on our personal experiences. The two terms can also stand for a methodological

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distinction or a difference in attitude toward a subject. An example of this is when we expect a judge to be objective, rather than subjective, in their rulings. The focus here, however, is on what is subjective in an ontological sense.

What different notions of subjectivity share is that they emphasize the role of a subject in one way or another—what is often called *mind-dependence*. The ontological notion I intend to bring out is one that focuses on how the mental activity of a subject can make it so that an object exists, or that a property is instantiated in an object. In the case of properties, the kind of subjectivity in question has to do with mind-dependent ways for things to be. An ontologically subjective property, then, is a property the object has because of a particular kind of mental event. I will be arguing that the instantiation of a subjective property is literally dependent on the occurrence of a mental event. Some have argued that mind-dependence is not sufficient to make social kinds subjective, such as Muhammad Ali Khalidi, who claims that an ontological notion is not guaranteed by just any kind of mind-dependence.[2] Others who have drawn distinctions between properties on terms similar to mine include Manuel García-Carpintero[3] and Naomi Osorio-Kupferblum.[4]

Before going onto considering the attributes of subjectively instantiated properties, let me present two notions of "subjective property" that do *not* apply here.

1. *Properties of experiences.* The term "subjective property" is sometimes used to describe features of subjective experiences, such as in Christopher Peacocke's writings on sensational experiences: "The subjective properties of an experience are those which specify what having the experience is like for its subject."[5] There is nothing wrong with this use of the term; of course, it makes sense to call properties of subjective experiences subjective. What makes the property subjective in this sense is that which it is a property of—the type of thing that possesses the property. However, this is not the sense I have in mind.
2. *Properties represented by subjective concepts.* It has sometimes been claimed that whether a property is subjective or objective is determined by our way of conceiving of it. This claim comes in different versions, including the following endorsed by Brian McLaughlin:

> It is concepts that are, in the first instance, subjective or objective, not properties. A property is subjective or objective only under a conceptu-

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> alization, i.e., under a concept. The concepts under which properties count as objective differ in their a priori possession conditions from those under which properties count as subjective.[6]

> In McLaughlin's account, a property is objective when it is represented by (or it "is under") an objective concept, and the same property is subjective when represented by a subjective concept.

McLaughlin may have his reasons for focusing on concepts rather than properties, but his approach seems to invite the question of what to do if the same property can be represented by different concepts on different occasions. Suppose squareness is my favorite property. I may experience a certain kind of pleasure whenever I encounter square things or conceive of squareness in terms of some sensation or other that it causes in me: a subjective mode of presentation. I can also conceive of it in mathematical terms as a figure with four 90-degree angles and four sides of equal length. This is an objective mode of presentation. A possible solution is to distinguish between subjective and objective properties by the mode under which they are *typically* conceived. While I can conceive of squareness under a subjective mode of presentation, the objective mode seems more typical for this property. A property is subjective, then, if typically conceived of under a subjective mode of presentation. This may be a valid use of the term "subjective property," but it is an epistemological notion rather than an ontological one, and not the notion explored here.

My presumption here is that an object has a subjectively instantiated property because a thinking subject perceives, assumes, emotes, opines, feels, judges, believes, or, in other words, "thinks" that it does. Many questions will be left unanswered, such as who gets to be counted among the qualified subjects, and what happens if the qualified subjects disagree about a property's instantiation. But the rough idea is that it is "up to us" that the property is instantiated. It was not "already there" to be discovered.

SUBJECTIVE PROPERTIES AS EUTHYPHRONIC

The most important attribute of subjectively instantiated properties is that they are *Euthyphronic*, a notion derived from Plato's dialogue *Euthyphro*: "The point which I should first wish to understand is whether the pious or holy is beloved by the gods because it is holy, or holy because it is beloved of the gods" (10a). According to Socrates, certain acts are loved by the gods

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because they are pious, whereas Euthyphro's view is the opposite: that certain acts are pious because they are loved by the gods. We might say that Socrates is a realist about piety: Whether an act is pious or not is independent of the gods' love. The piety is "already there" when the gods come to examine the deed. However, it so happens that the gods are very good (and even infallible) at detecting truly pious acts and prone to love them. Euthyphro, on the other hand, is an anti-realist about piety: It is the gods' attitude toward an act, their love for it, that makes it pious. Euthyphro's account of pious acts describes the direction of dependence for subjective properties: An object has a subjective property because of a subject's attitude toward it. Thus, we might as well call such properties *Euthyphronic*.

This allusion to Plato's old distinction has been used in various contexts and has, among other things, gained some attention in relation to discussions of response-dependence. For instance, Crispin Wright dubs the different stances of Euthyphro and Socrates "The Euthyphro Contrast," and argues that there are different notions of "because" in play.[7] In the response-dependent cases Wright is focusing on, a certain type of biconditional is true: "Object *O* has property *P* if and only if subjects of type *S* were to have response *R* if they were to encounter *O*." In the case of piety, a biconditional of this kind does seem to hold, since the gods are guaranteed to have the appropriate response, even if we come out on Socrates' side. The contention between Euthyphro and Socrates, in these terms, is whether the object has *P* (is pious) because the gods have response *R* to *O* (love *O*), or whether the gods have response *R* (love *O*) because *O* has *P* (is pious). The realist interpretation, or Socrates' interpretation, is that the biconditional happens to hold because the gods are infallible when it comes to detecting piety. In regular realist cases, however, when mere mortals or regular fallible perceivers are in the business of trying to detect things, such a biconditional would not hold. For example, assuming that we are realists about polygon shapes, a biconditional such as "an object has the property of being a chiliagon if and only if regular human perceivers were to judge it to have one thousand sides when encountering it" sounds highly implausible.

Thus, the biconditional that holds in the response-dependent cases that Wright is interested in and that also seems to hold in potentially realist cases with infallible judges does not always hold. However, what is important for our purposes is the point about different directions of "because." The biconditional is not of importance, but the issue of what rests on what. What matters for the distinction here is that the properties that are subjectively

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instantiated are Euthyphronic in the sense that an object has the property because an appropriate subject takes it to possess it.

CONTINGENCY ON THE ACTUAL

I maintain that the instantiation of a subjective property must be dependent on an *actual* subjective response (a mental event) and not a hypothetical one. I believe this feature is essential—that every instantiation of a subjective property must be traceable to an actual case of a subject's being in the relevant mental state. Properties whose instantiation is not traceable to such a case cannot be Euthyphronic, and thus they fail to be subjective in the relevant sense.

The incentive to this discussion is that many have held the view that any disposition to prompt a subjective reaction must thereby be an ontologically subjective property. This view has been prominent in discussions of primary and secondary qualities, when the view that secondary qualities are subjective while the primary qualities are objective has been contemplated.[8] Similar claims have been made in some accounts of response-dependent properties; a property characterized as a disposition to prompt a subjective response is by many considered automatically subjective. This view, I believe, is mistaken.

The basic argument for my claim is what follows: The instantiation of subjective property P_s in object O is dependent on a mental state or mental response. If event B depends (ontologically) on event A, then B cannot take place unless A takes place (or has taken place). Something similar holds for instantiation: If the instantiation of P_s in O is subjective, there must be some mental event, E_M, that must *actually* take place for P_s to be instantiated. If P_s could be instantiated without E_M taking place, we could not say that P_s *depended* on $E_{M/}$.

An obvious question here is what kind of event E_M is. If the instantiation of P_s in O is dependent on E_M, then surely E_M must stand in some kind of relevant relation to O. An example of such a relation would be if E_M consisted in a subject's having a subjective reaction to O. For example, in order for a song to be popular, some significant number of subjects must have a certain favorable attitude toward the song. If this attitude is not held toward the song, it does not have the property of popularity. It is not enough to claim that under some counterfactual circumstances, a significant number of sub-

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jects *would* like the song if they were to hear it. A song cannot be popular unless sufficiently many subjects *actually* like the song.

In other cases, the relation may be less direct. Take a ripe strawberry, StrawB, that nobody has tasted yet. We may still wish to claim that StrawB has the property of tastiness, and furthermore, that tastiness is a subjective property (in the examples to come, I will assume for the sake of argument that tastiness is subjective in the relevant sense). How come? I take the answer to be that tastiness is a property StrawB has because it has certain features that are identical to features of other strawberries that human subjects have found tasty in the past. That is, in the relevant respects, StrawB is identical to strawberries previously found tasty. So even though no one has ever held the attitude toward StrawB in particular that it is tasty, the property of tastiness can be instantiated in StrawB in virtue of an attitude held toward other sufficiently similar strawberries. Furthermore, by virtue of some of its features, StrawB belongs to a certain type of strawberries. We (or many of us, at least) hold an attitude toward the type *Strawberries with the chemical features typically associated with unspoiled, ripe strawberries* that tokens of that type are tasty even though many of those tokens have not yet been encountered and evaluated.

My point is that, assuming the tastiness of StrawB is subjective, the mental event on which its instantiation depends is not a hypothetical event of someone's tasting it and finding it tasty, but rather past *actual* cases of similar strawberries being eaten and found tasty. This is the case even if we take tastiness to be a dispositional property, or best described as a disposition to prompt a sensation of tastiness in a subject. In other words, let us suppose for the time being that tastiness is a disposition, and that it is also a subjectively instantiated property. It is not *its being a disposition* that makes it subjective, since many dispositions are objective. The subjective reaction responsible for its instantiation is not the *hypothetical* reaction to which the description of the disposition *conceptually* refers, but another one instead.

Of course, properties primarily conceived of as dispositions to prompt subjective reactions are guaranteed to be subjective *in a certain sense*. For example, a disposition to produce a subjective reaction is, presumably, *conceptually* subjective: In order to properly grasp what such a disposition involves, one must be able to conceive of the appropriate subjective reaction. There may be further ways in which such a disposition is bound to be subjective. However, a disposition to prompt a subjective reaction does not need to be Euthyphronic and thereby subjectively instantiated. A conceptually sub-

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jective property does not *have to be* ontologically subjective, even though some such properties may be so as well.

It is also worth recalling that a disposition, whatever it is a disposition for, cannot be *ontologically* dependent on its manifestation. The manifestation of fragility, for instance, would be the event of breaking. However, an object—say, a crystal vase—is fragile independently of whether it ever breaks; thus, the instantiation of fragility in the vase is independent of the (hypothetical) event of its breaking, which may or may not occur at some point. In fact, the independence of the disposition from its manifestation is crucial; the idea is that an object can have a disposition that is never manifested by the defining event. Presumably, the vase is fragile by virtue of its structural properties. The truth of the counterfactual claim "If such and such were to happen, then the vase would break" does not imply that the instantiation of fragility is *ontologically* dependent on the hypothetical event of the vase's breaking. There is, however, a *conceptual* dependence. In order to grasp the *concept* of "fragile" and what it means for the vase to be fragile, we need to grasp what it is for something to break, and what it would involve for the vase to break.

A disposition to produce a subjective response in humans may differ from fragility in some important respects. Let us keep supposing that tastiness is a disposition to produce sensations of tastiness in human perceivers, and furthermore, that our ripe strawberry, StrawB, has this disposition. In virtue of what does StrawB have this disposition? This is where a realist and an anti-realist about tastiness, or a Socratic and a Euthyphronist, would diverge. The realist could claim that StrawB had this disposition by virtue of its chemical properties and facts about their effects on human taste buds, just as the crystal vase is fragile by virtue of its physical structural properties. A human perceiver would then judge StrawB to be tasty because they would detect the tastiness already possessed by StrawB. The Euthyphronist would claim that StrawB had the disposition because of features of humans (or an appropriate subgroup of humans) making it so that they generally judge strawberries of this kind to be tasty. Neither of them could, however, consistently claim that the *hypothetical* event of a human perceiver finding delight in tasting StrawB was the basis for the disposition. The reason is that something hypothetical, or counterfactual, cannot serve as a causal or categorical basis for something that is actual. This can be inferred from what is generally assumed in the literature on truthmakers and grounding. Assuming that there is something that makes a proposition true, such as a truthmaker, that something is considered to be an event, an existing entity, a state of affairs, or something of that

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sort. Given that assumption, it is always taken for granted that the truthmaker is actual and not hypothetical. The same holds in the literature on grounding, in which one thing is taken to exist, or be, in virtue of another, and thus be grounded by it. That which grounds something else is similarly taken to be actual, never hypothetical. I do not intend to endorse a particular theory on grounding, truthmaking, or anything of the kind here. However, the notion of a subjectively instantiated property does rest on some such notion: The property is meant to be instantiated *by virtue of* a subjective reaction. And for the reasons I have just explained, that reaction must be actual.

We can assume that whatever it is that makes it true that humans who were to taste StrawB would find it delightful is the same thing that makes it the case that StrawB has the property of tastiness, or this particular disposition. In other words, to have the disposition is equivalent to the truth of the counterfactual claim about humans finding StrawB tasty—not because one causes the other, but because they share a categorical basis.

The message of this section is that a subjectively instantiated property must always have a basis in an actual mental event consisting of some kind of subjective attitude. If tastiness is subjectively instantiated, it means that it is instantiated by virtue of an appropriate mental event that is taking place or has taken place in an appropriate subject or group of subjects. Counterfactual claims about hypothetical mental events taking place under some different circumstances may very well be true, but they cannot be what makes it so that the property is instantiated.[9]

NON-IDEALIZED SUBJECTS

A condition closely related to the one described in the previous section is that the subjects involved cannot be idealized. The reason for this is, of course, that fully idealized subjects are not real, and thus the reactions of an idealized subject are hypothetical rather than actual, thus not fulfilling the condition described in the previous section.

In order to throw further light on this condition, I will discuss two other accounts that have been given suggesting that idealized subjects cannot be behind mind-dependence or ontological subjectivity. In his groundbreaking paper "Ethical Absolutism and the Ideal Observer,"[10] Roderick Firth puts forth an ethical dispositionalist view that frequently gets cited as an example of moral subjectivism. However, Firth emphasizes that his view is objectivist. The characteristics he considers essential for the kind of account he

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gives are: absolutist; dispositional; objectivist; relational; empirical.[11] This may seem confusing. Why is Firth's view considered subjectivist if he claims that it is objectivist?

As I have already mentioned, the terms *subjective* and *objective* have many different uses, and it is quite possible for a view to be subjectivist in one sense while objectivist in another, and Firth's account is such a case. Firth's distinction between subjectivist and objectivist is ontological, as will be clarified below, and in that ontological sense, his account is objectivist. On the other hand, it makes sense to think of his account as subjectivist if the focus is on conceptual access or knowledge rather than existence or instantiation of properties. Thus, his account can be considered epistemologically subjectivist while metaphysically objectivist. What has happened, however, is that it sometimes gets assumed that Firth's account, or any ideal observer account, must be *ontologically* subjectivist, which is not the case. For example, Russ Shafer-Landau[12] describes Firth's account as anti-realist, or what he calls constructivist:[13] "For instance, Firth's theory claims that moral judgments are true just in case they accurately reflect the responses of a duly specified idealized agent. There is no such thing as moral truth prior to or independent of the edicts of such an observer."[14] Others have avoided that trap; for instance, Charles Taliaferro claims that most ideal observer theories are objectivist.[15] My reading of Firth's view here will be quite similar to Taliaferro's.

According to Firth, the meaning of an ethical statement consists in the judgment that an ideal observer, omniscient about nonmoral facts, disinterested and neutral, would make. Since the observer is ideal and disinterested, the account can be absolutist, as there are no differing circumstances or points of view affecting the judgments. Firth emphasizes that an ideal observer account of the kind he describes is objectivist:

> [A] proposed analysis of ethical statements is subjectivist if it construes ethical statements in such a way that they would all be false by definition if there existed no experiencing subjects (past, present, or future). An analysis may be called "objectivist," on the other hand, if it is not subjectivist. Thus it is evident that in this ontological sense, as well as in the logical sense, an analysis of the kind which we are discussing is objectivist: it construes ethical statements to be assertions about the reactions of an ideal observer—an observer who is conceivable but whose existence or nonexistence is logically irrelevant to the truth or falsity of ethical statements.[16]

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Firth claims that if ethical statements are considered to be assertions about the reactions of an ideal observer, the ensuing account is objectivist. This suggests that his distinction between the objective and the subjective is at least similar to the one I have in mind. Let us consider why: Firth emphasizes that the existence of the ideal observer is irrelevant. Furthermore, his description of a subjectivist analysis accompanied by the claim that his analysis is objectivist implies that he thinks that the truth of moral judgments is independent of the reactions of the ideal observer (or any other subject). Thus, Shafer-Landau's description of Firth's view, according to which the truth of moral judgments depends on the responses of the ideal observer, is inaccurate.

According to Firth's ideal observer account, what it means to claim that an action is morally right is that an ideal observer would judge the action as right. But that does not amount to the ideal observer's hypothetical judgments being what makes the action right. Firth's purpose is to give an analysis (as he calls it) of the meaning of moral judgments. He is not thereby providing us with the ingredients for what makes them true, for what is behind them, what causes them to hold, or whatever we may call it. There is nothing in Firth's account indicating that he thinks of the ideal observer as causing the moral judgments to be true, or as maintaining their status as true. The observer is ideal in the sense that they are omniscient about nonmoral facts, disinterested and neutral. These characteristics are meant to ensure that the observer is particularly good, and even infallible, at making correct moral judgments. If the ideal observer makes the judgment that a particular action is right, it is because the action really *is* right, independently of the observer's judgments. This means that the rightness of the action is not Euthyphronic; the observer judges the action to be right because the action really is right, but not the other way around.

Another argument for the claim that idealization makes a property objective can be found in David Enoch's paper "Why Idealize?":

> The reading of the watch tracks the time—which is independent of it—only when all goes well; the perceptual impression tracks relative height—which is independent of this perception—only when all goes well. So there is reason to make sure—by idealizing—that all does go well. But had we taken the other Euthyphronic alternative regarding these matters things would have been very different. Had the time depended on the reading of my watch, had the reading of my watch made certain time-facts true, there would have been no reason (not this reason, anyway) to "idealize" my watch and see to it that the batteries

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> are fully charged. In such a case, whatever the reading would be, that would be the right reading, because that this is the reading would make it right.
>
> The natural rationale for idealization, the one exemplified by the time and relative-height examples, thus only applies to cases where the relevant procedure or response is thought of as tracking a truth independent of it.[17]

Enoch is pointing out that by idealizing we are bound to come out on the realist side of the Euthyphro contrast. Let us consider what his idealized watch has in common with Firth's ideal observer: According to Enoch, the passage of time is independent from any watch, and the purpose of a watch is to measure time so its bearer can consult it in order to find out what time it is. An ideal watch is one that tracks time perfectly, and we do our best to "idealize" a watch by making sure that it has fully charged batteries, that the mechanism is in order, etc. Firth's ideal observer is an infallible judge of the observer-independent morality of actions. For both Enoch and Firth, that which is idealized has the purpose of being a reliable means of measurement for something independent from it. Were things the other way around, the passage of time would be dependent on the readings of the watch and the morality of actions would be dependent on the views of the observer. In that case, the watch and the observer could be any way we liked; they would always be "right," since what was the right time or action would by definition depend on them. The idealization consists in making them so as to yield correct information about time or actions, that is, information about something *not* dependent on them.

The two cases seem similar in this respect. Idealizing the watch and the observer puts the properties they detect on the non-Euthyphronic side, because the idealization must have some kind of basis. An idealized measuring instrument is one that always yields a correct measurement, and this presupposes that whatever the instrument is meant to measure is "already there," independently of the measurement. This is why Firth can call his account objectivist. The morality of actions is, according to Firth, not dependent on the observer's subjective judgments but the other way around: The ideal observer forms judgments on the basis of their readings of a situation independent from those readings. There may be other senses of the word *subjectivist* that are appropriate for Firth's account. For instance, someone might want to call the account subjectivist in the sense that it describes moral properties from the point of view of a subject. But that does not make them subjective in the ontological sense Firth has in mind, or subjectively instantiated in the sense I have in mind.

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EGALITARIANISM OR ELITISM?

When it comes to determining properties such as tastiness, it is often assumed that everyone should have an equal say. In fact, what we mean when we call something a matter of taste (not all matters of taste are associated with tastiness or taste buds—something worth mentioning although it is probably obvious) is that each of us is in a position to determine it, and no judgment about it should have more weight than another. Something similar is often the case when the term *subjective* is applied; it is often used about a matter deemed fit for each of us to determine "for ourselves." This may not convey the exact same meaning as the one I have in mind when I call something *subjectively instantiated*. But there is a common element all the same: Whether or not something is tasty or possesses the property of tastiness depends on the subject doing the tasting at the particular occasion, and can thus vary from one occasion to another and from one subject to another. The picture this yields is that matters of taste are subjective, and that the subjective is egalitarian: As far as subjective properties go, we are all created equal, and we all retain an equal status. In these cases, there is no such thing as deference to authority or experts; we are all experts, and we can all speak with authority as long as we belong to the group of subjects that has a claim to determining the property in question. Any judgment about the instantiation of an egalitarian property seems as good as another.

Suppose two humans, Jack and Jill, differ in their appreciation for strawberries. Jack says "Strawberries are yummy" and Jill says "Strawberries are vile." Jack and Jill seem to be contradicting each other; we may rephrase their words as "Strawberries are tasty" and "Strawberries are not tasty." Yet many of us would be reluctant to claim that one of the two was making a false judgment. Given some versions of this issue, the matter is strictly a semantic one, concerning taste predicates, but there are reasons to consider its metaphysical implications, and I will assume here that the issue runs all the way down to metaphysics.

It is a matter of contention whether Jack and Jill have a genuine disagreement between them. Some claim that what Jack really means is something like "Strawberries are tasty-for-Jack," while Jill claims "Strawberries are not-tasty-for-Jill." As these two claims are not contradictory, there is no genuine disagreement involved.[18] This solution can be called contextualism, or indexical relativism about taste predicates. Taking indexical relativism to a metaphysical level, we might say that Jack is ascribing the property of

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being tasty-for-Jack to strawberries while Jill denies that strawberries possess the property of being tasty-for-Jill, and no contradiction is implied. Others have claimed that there is genuine disagreement, but that the truth of the statements in question is speaker-relative, so that even though Jack and Jill's statements are contradictory when evaluated from the same perspective, they can both be true when speaker-relativity is taken into account.[19]

There are some other options when it comes to accounting for Jack and Jill's (apparent) disagreement. One would be to say that Jack and Jill are not really ascribing anything to strawberries or making claims about them, but instead are merely expressing their own emotions or experiences. Jack is then expressing that he has a pleasant experience while tasting strawberries and Jill is expressing that her experience while doing the same is unpleasant. In this case, there is no disagreement, but also no properties ascribed. Hence, this solution is irrelevant for the purposes of investigating subjective properties. Another solution involves thinking of tastiness as objective: Jack and Jill are making contradictory statements about properties possessed by strawberries, have a genuine disagreement, and one of them must be wrong. In such a case, the tastiness of strawberries is independent from Jack and Jill's judgments about them and thus tastiness will hardly be considered subjectively instantiated. If we want to examine tastiness from the point of view of its being a subjectively instantiated property, then, we seem to be stuck with relativism, either indexical or speaker-based.[20]

At first glance, there seem to be various exceptions to the rule that subjectively instantiated properties must be egalitarian. Let us consider two possible exceptions more closely.

1. Suppose we assume a metaphysical application of indexical relativism, and that Jack and Jill are ascribing two different tastiness properties, tastiness-to-Jack and tastiness-to-Jill. Now, while Jill may be able to infer that something does or does not possess tastiness-to-Jack by watching Jack's behavior, and Jack may be able to make similar inferences about tastiness-to-Jill, it seems clear that Jack must be a superior authority on tastiness-to-Jack, and Jill a superior one when it comes to tastiness-to-Jill. How could we call tastiness-to-Jack and tastiness-to-Jill egalitarian properties?
2. Every spring, those following the fashion world get news of which colors will be "in" the following summer. This news is not based on predictions from someone with fortune-telling abilities but on declara-

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> tions by fashion designers who determine that this year, fuchsia and sage green will replace last year's salmon pink and teal as the "in colors." As the "in colors" are determined by an elite entity, let us call the property of being an "in" color an elitist property. Let us now alter the scenario so that Jack is the world's sole fashion guru and gets to determine the "in colors" all by himself. They are now not only elitist but what we might call monarchistic.

It is clear that Jack and Jill do not have an equal say if we consider the two cases. In the first case, Jack is the sole authority on tastiness-to-Jack, and in the second case, on "in colors" in general. Both cases qualify as representing Euthyphronic properties. Tastiness-to-Jack is determined by Jack's subjective tastiness judgments; strawberries are tasty-to-Jack *because* Jack finds them to be so. And in the monarchy case, whatever Jack deems to be "in" has that property *because* of Jack's judgments. The difference between the two kinds of cases is that in the monarchy case, Jack's judgments have the force to be universalized.

Each subjectively instantiated property has an associated group of subjects eligible to assign the property via their reactions. Frequently, the group's boundaries are not very clear, but most often it seems to include all or most humans, although, depending on the property in question, it may be limited by a period of time, by a geographical area, or even by membership in some smaller group. In the case of elitist properties, however, the group of subjects eligible to assign the property is very small; if truly monarchistic, there is only one individual. In the case of indexically relative properties, we can index to individuals, such as by tastiness-to-Jack, or groups of various sizes. However, within the group, egalitarianism is usually assumed. If the "group" only consists of one individual, egalitarianism between subjects obviously does not apply, but we can think of egalitarianism between occasions instead. Jack's sense of taste may change over time; suppose that while at one time he finds strawberries tasty, at some later time, they have lost their appeal to him. There is no reason to favor one of those occasions over the other when it comes to determining the tastiness-to-Jack of strawberries.[21] The property seems to be instantiated in strawberries on the former occasion but not on the other.

The conclusion that can be drawn here is that egalitarianism holds within the set of subjects and occasions eligible to determine the respective property. Furthermore, if indexical relativism is assumed (which I am neither re-

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nouncing nor upholding at the moment), the differently indexed versions are usually considered equal; that is, tastiness-to-Jack is considered no less and no more important than tastiness-to-Jill.

SECUNDUM QUID AND EXTRINSIC

As may be indicated by the previous section, an object cannot be said to possess a subjectively instantiated property *simpliciter*. If object *O* has subjective property *S*, it must have it *secundum quid*; that is, with respect to something other than itself. It is by no means obvious what it means for an object to possess a property simpliciter, or even whether the notion of simpliciter should have a metaphysical application or a strictly semantic one. The basic idea is that to say that object *O* has property *P* simpliciter implies that *O* is *P* without any further qualification. If *O* has *P* secundum quid, on the other hand, then *O* has *P* by virtue of a relation to another object, or from a certain aspect, or in relation to a type of objects or a mode of being.

If we take Jack and Jill's contradictory statements about the tastiness of strawberries to be equally valid, then we will probably be reluctant to claim that strawberries are tasty *simpliciter*. As I described in the previous section, there seem to be two main ways of dealing with this problem: indexical relativism and speaker relativism. If we stick to the level of the metaphysical, we might say that the difference between the two consists in the former considering the property possessed by the object subject-relative and the latter considering *the way* the property is possessed subject-relative. According to indexical relativism, strawberries can possess different tastiness properties: tastiness-for-Jack, tastiness-for-Jill, etc. On the speaker relativist account, there is one property—tastiness—to be had by strawberries, but it is to be evaluated from different perceiver aspects. In neither case can strawberries be said to be tasty *simpliciter*.[22]

That subjectively instantiated properties are possessed *secundum quid* follows from their being Euthyphronic and egalitarian. If the possession of the property is determined by the attitude of a subject, and there are different subjects who have an equal say, it must follow that the property cannot be possessed simpliciter. And even if there is only one subject in charge, the secundum quid characteristic follows if the subject can make different judgments on different occasions.

Another attribute that may to some seem similar to the secundum quid requirement is that the property be extrinsic. Philosophers have come up with

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many different ways to distinguish intrinsic from extrinsic properties.[23] When claiming that subjectively instantiated properties are extrinsic, I have one of those in particular in mind: a property that an object has in virtue of its environment rather than itself solely. The basic assumption is that changes in an object's intrinsic properties require changes in the object itself, whereas its extrinsic properties can be altered without making changes to the object. An intrinsic property cannot be lost by an object or acquired by it without some manipulation of the object itself, whereas an extrinsic property can be lost or acquired solely because of changes in other objects.

An *intrinsic* property, then, is instantiated in an object in a way that inescapably involves the object itself. An *extrinsic* property's instantiation in an object is dependent on the state of things outside the object. In some cases, this includes the mental state of a subject. This is the case with Euthyphronic properties, as a subject's attitude toward the object plays a crucial role in the property's instantiation. The subject possessing the mental state is, of course, extrinsic to the object to which the subjective property is ascribed. In other words, extrinsicness is a necessary, but not sufficient, precondition for a property's being Euthyphronic or subjectively instantiated. This may sound obvious, but it is worth noting because understanding the difference between a property's being extrinsic and being possessed secundum quid is important for an understanding of subjectively instantiated properties.

If we take the speaker relativists to be right about subjectively instantiated properties, we can take such properties to be at the same time extrinsic and possessed secundum quid: The property is possessed from an aspect (thus not *simpliciter*), and if the perceiver aspect is changed, the possession of the property may change (thus extrinsic). But if we assume an indexical relativist stance, the difference between extrinsicness and secundum quid possession becomes clearer.

Suppose we have a property described as tastiness-to-*X*. The property is relational; an object's possession of it is described as a relation. It is a property possessed secundum quid; we cannot say that something is tasty simpliciter. However, whether tastiness-to-*X* is extrinsic or intrinsic depends on what *X* stands for. Suppose that *X* represents a specific individual; we can replace it with "Jack." In that case, tastiness-for-*X* is extrinsic, as whether something is tasty-to-Jack depends on Jack. If Jack were to change his mind about what was tasty, a strawberry could lose or gain the property of tastiness-to-Jack without any changes in the strawberry itself. However, if *X* represents a particular type of perceivers, the matter may be different. Sup-

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pose we replace *X* with "α-type tasters." Creatures with a palate of type α appreciate certain kinds of flavors, and the flavor of ripe strawberries is one of them. Let us suppose that Jack starts out as such a creature, and finds strawberries tasty. After an illness causing damage to his palate, Jack no longer finds strawberries tasty. In that case, we would say that Jack's sense of taste has changed, and that he is no longer an α-type taster. In other words, strawberries retain the property of being tasty-to-α-type-tasters regardless of changes in individual people's tastes. While tastiness-for-Jack is an extrinsic property, tastiness-for-creatures-with-α is intrinsic. Someone who does not find strawberries tasty is, by definition, not an α-type taster.[24]

Here is another example showing more clearly how a relational property can be intrinsic: Suppose that a tone with a frequency of 4000 Hz is played at a certain time. The tone has the property of being audible-to-Jill because it is within her hearing range. Jill subsequently suffers a hearing loss, and some years later she can no longer hear tones with this frequency. Hence, a tone of 4000 Hz no longer has the property of audibility-to-Jill, because of changes in Jill. However, a tone with a frequency of 4000 Hz will always have the property of audibility-to-creatures-with-a-hearing-range-of-20-to-20,000-Hz, and that will be unaffected by any changes in any individuals or groups. Audibility-to-Jill is extrinsic, whereas audibility-to-creatures-with-a-hearing-range-of-20-to-20,000-Hz is intrinsic.

From this we can infer something important: If a property is indexed to a certain *type* of evaluating subjects, but not to a certain *group* of subjects, or to individual subjects, it is intrinsic and thus not subjectively instantiated. Suppose we take the tastiness of strawberries to be indexed to α-type tasters. In that case, we cannot say that StrawB is tasty because the α-type tasters find it tasty, because the subjects actually finding StrawB (or strawberries, more generally) tasty could even fail to exist.[25] The truth of the counterfactual claim "an α-type taster would find StrawB tasty" will be contingent only on the attributes of StrawB (its chemical composition and such), but not to be traced back to any actual mental event involving tasting and appreciation of strawberries. StrawB would still be tasty-to-α-type-tasters even though nobody had ever existed who belonged to the group of α-type-tasters. Thus, tastiness-to-α-type-tasters is not Euthyphronic. This is useful to keep in mind when it comes to determining whether a property is Euthyphronic. Is it a property that is thought of as relative to a type of subjects or to a group of subjects or events involving actual subjects?

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RARELY ENTIRELY SUBJECTIVE

On the basis of the account I have given here, it seems completely up to a subject whether a subjective property is instantiated. The strawberry is tasty if and only if someone finds it tasty. The same ought to hold for any other subjectively instantiated property: Whatever someone finds funny is funny, etc. But it is not quite that simple. Many of us might be unwilling to accept that just anything anyone might call tasty would thereby be so. Can pig vomit be tasty? How about a chain saw, a flower arrangement, or Beethoven's *Ninth Symphony*? We seem to put restrictions both on those evaluating tastiness and on the things evaluated. Objects capable of instantiating tastiness must be edible, or at least somewhat suitable for being placed in one's mouth, and it must be possible to sense them with one's taste buds. The subject attributing tastiness must be in possession of a functioning sense of taste, and to have some proficiency in grasping and applying the concept of tastiness. If someone were to call a chain saw tasty, not to mention Beethoven's *Ninth Symphony*, we would most likely infer (having ruled out the use of metaphor or irony) that the person in question suffered from some kind of misapprehension of the relevant concept.

This means that even though subjectively instantiated properties can freely be assigned on a subject's whim, the freedom to assign them has various limitations. Even though Jack and Jill can freely assign or resist assigning tastiness to strawberries, they are not free to assign tastiness to just anything. In addition to the restrictions I have already mentioned, there seem to be some moral restrictions. I take it that we might, for instance, be reluctant to accept a cannibalistic serial killer's views about the tastiness of human flesh.

The kinds of restrictions on the application of subjectively instantiated properties may vary from one property to another. What matters is that there almost always seem to be some restrictions. It is never, or almost never, *entirely* up to the subject whether assigning a property is appropriate. If there are properties that the subject has unlimited freedom to assign, those properties are entirely subjectively instantiated. But in at least most cases, the freedom is restricted and the properties are thus imperfectly subjectively instantiated. For some properties, the free range is narrower than for others, so there might be a continuum ranging from properties instantiated with narrow objective restrictions, those we would call objectively instantiated, to properties that subjects can freely assign without restrictions.

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MONEY AS AN INTERACTIVE AND SUBJECTIVE KIND

Outlining these attributes of subjectively instantiated properties illustrates a certain aspect of the relation between our minds and the world. Properties can be subjective in various ways; for example, our conceptions of them may be uniquely tied to subjective experiences, or the existence of certain properties as ways to categorize the world may be subjectively constructed. While a focus on subjectively constructed properties would be one on how our minds affect possible ways for the world to be, a focus on subjectively instantiated properties is on how our minds affect how the world actually is.

It may seem confusing, or even contradictory, that I claim that subjectively instantiated properties have certain traits while suggesting that there is a continuum on which properties run from objectively to subjectively instantiated. I do not think this ought to be a source of inconsistency. There can be variations in exactly how these characteristics apply to the properties, and furthermore, they may be only imperfectly appropriate because of the restrictions of subjective freedom that I mention above. What counts is that these characteristics apply to subjectively instantiated properties, and when one or more of them do not apply, or if they only apply partly or imperfectly, it may be a sign of the property's being imperfectly subjective. This is significant when we think of money and other social kinds. Many have assumed that things that are socially constructed must be subjective.[26] Others, however, have argued that at least many social constructions can be objective.[27] This matter is far from straightforward when it comes to social phenomena such as money. It complicates matters even further that the terms *subjective* and *objective* have many different meanings, and it may even be unclear to those applying them at a given time how to best keep track of their intended use of the term.

Different views have been put forth on the subjectivity of social kinds. It has been claimed by John Searle, for example, that some social kinds are ontologically subjective yet epistemically objective. By this he means that the existence of something like money depends on our mental attitudes, making it ontologically subjective, while the truth of judgments about whether particular pieces of paper qualify as money is independent of our attitudes, making it epistemologically objective.[28] An example of a different approach is Muhammad Ali Khalidi's, who claims that many social kinds can be ontologically objective, as not all types of mind-dependence yield subjectivity.[29]

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It is important in this context to consider the attributes of subjective properties I outline above. I will argue that money is an ontologically subjective kind, in the sense that the properties characterizing it have at least most of the attributes of subjectively instantiated properties. However, it is important to note the continuum I mention, as money and other social kinds may turn out to be less subjective than some other subjective kinds.

I also think that money should be considered what has been called an *interactive kind*. Ian Hacking calls, or called—as he later came to abandon this terminology—a kind interactive if the individuals belonging to the kind are influenced by the classification, adjust their behavior in some way because of it, and in return influence or reinforce the classification, such that a feedback loop is formed: what has been called a looping effect.[30] Hacking's idea was that only human kinds were interactive and other social kinds were what he called "indifferent." One of Hacking's examples is that of the child television viewer. A certain group of children come to be classified as such, presumably on the basis of watching television more than a certain minimum of hours a week. Researchers take interest in them, and the children, or at least their parents and others in their environment, may become aware of this interest and various attitudes and expectations toward them. This will in turn affect their behavior, which feeds back into theories about them and affects the classification. Another famous example from Hacking is of multiple personality, following the same pattern:

1) First, the concept of multiple personality is introduced. 2) Next, certain people are classified as having multiple personality, or falling under that kind, and treated accordingly. 3) Then some of these people come to identify with falling under this kind (either intentionally, or not), and their behavior comes to reflect that in various ways. 4) The people identifying with the multiple personality kind become further distinguished from other people, which may lead to them acquiring new properties. 5) Finally, the kind "multiple personality" comes to be associated with these new properties, and our concept of multiple personality is modified.

The looping effect does not have to consist in accommodating the classification; it can be just the opposite. A much discussed example from Hacking is of people avoiding classification as child abusers. An individual is aware of a certain classification and may modify their behavior in certain ways in order to avoid being classified in that particular way.

As I mentioned, Hacking assumes that the looping effect is restricted to human kinds. Others have argued that it can take place in some social kinds

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that are nonhuman, such as in Sally Haslanger's example of certain animals being considered food.[31] An example from Khalidi is of the development of the domestic dog, *Canis familiaris*, which is bred from the wolf, *Canis lupus*, to accommodate the classification with a looping effect in place. The idea is that humans first form a concept of wolves that are tamer than other wolves, that turn out to be useful to them, selective breeding takes place, feeding back to the concept of what kinds of properties these creatures have, and the concept of the domestic dog is slowly formed through looping, at the same time as the species is formed.[32] Khalidi's arguments for nonhuman cases of the looping effect are restricted to biological organisms evolving as a result of artificial selection. What I want to argue, however, is that looping occurs in a much wider variety of cases when it comes to social phenomena, and that money is such a case.

Money is used and handled by humans, as are all the rules about how money is used. The behavior of human users of money, or what we might call *financial behavior*, takes place in a context of social power relations as well as rules and regulations about money, and money is entangled in a system of other things that are also subject to human behavior and concepts. At the same time, the rules and regulations constitutive of money, as well as the power relations affecting and affected by financial behavior, may change because of various aspects of financial behavior. Important analogies can be drawn in the relevant respects between money and the examples from Hacking and Khalidi where the looping effect is in place. However, I do not want to rely too much on those analogies, as I do not think that the money case works entirely in the same way.

What is characteristic for money is how intertwined it is in a whole financial system. There is nothing that can be done with money without the notion of monetary value, which money is used to measure. There will be goods and services to which monetary value is assigned, whether it is via the labor of those providing them in order to acquire money for their sustenance, or even just to pay their taxes, or via demand from those requiring the goods and services. Even when we start out thinking about money, the interplay of the various factors in this intertwined system feeds back into the concepts of money and monetary value, which are adjusted accordingly, and the loop is iterated.

The system we have is quite complex, with a number of interacting factors, such as different currencies weighed against each other, and various aspects of financial markets, such as bonds and stock markets. In some cases,

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they will be affected by things beyond human control, such as natural disasters. However, a great deal of what affects the factors of the monetary system is due to human behavior, which again affects our concepts of the relevant kinds, such as money. And the fact that something has a certain amount of monetary value, or serves some other kind of function in the monetary system, will have an effect on how we deal with it. The loop keeps iterating. It is by no means a simple loop—we can perhaps think of it as having squiggles—but if we consider the grand picture, there is certainly feedback there.

Khalidi claims that interactive kinds are mind-dependent but not ontologically subjective. The kinds he has in mind are such that they would not have come to exist without human interference, and indeed human mental activity, such as the domestic dog. As has been described, this kind came to exist because of the selective breeding that was thought up by humans, so there is a causal mind-dependence. However, once dogs exist, they do not rely on our mental activity for their existence. We cannot imagine them away. This is what Khalidi means when he claims that they are not ontologically subjective. And the characteristics shared by dogs that make them a kind will still be there regardless of our mental activity.

However, there are other interactive kinds that seem more likely to be subjective in the sense that membership in the kind may be constituted by human mental attitudes. For instance, there are many human kinds that rely on acceptance by a certain community. In other words, kind membership requires being accepted by other members of the same kind, or being acknowledged by one's own community as being in a particular role. Institutional roles can be examples of the latter, and more informal roles as well, such as being a leader. It is impossible to be a leader without being accepted as a leader by others (i.e., those who agree to follow the leader).

When it comes to money, the system of interacting factors where human attitudes play a significant role, and especially the role that human attitudes play in the assignment and maintaining of monetary value, suggests that money and monetary value are more like leaders than dogs—that is, money is a subjective kind. Now, this requires some further explanation. There are rules concerning kind membership that may seem fixed. In an example from John Searle, a ten-dollar bill is printed at the Mint and falls directly from the press into a crack between the floorboards, never to be seen or touched by a human. This is still a valid ten-dollar bill, even though nobody ever accepts it as money. This is Searle's argument for why he considers money what he

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calls epistemically objective, and Khalidi argues that this shows money to be ontologically objective.[33]

I think this example is misleading. The only reason why this piece of paper is still valid as money is because it is identical in the relevant respects to other paper bills that are in circulation and accepted as money. If people were to decide that they no longer accepted ten-dollar bills, the one between the floorboards would be no good either. The ten-dollar bill between the floorboards is money by virtue of people's acceptance of all the other ten-dollar bills, and of ten-dollar bills in general. The validity of the ten-dollar bill between the floorboards is contingent on the actual acceptance of the relevant persons or authorities in the same way as the tastiness of the hidden strawberry in the section above. It is contingent on actual responses to the same kind of things rather than the specific object, but it still takes an actual attitude.

Let us consider some other attributes of subjective properties. The validity and the value of the ten-dollar bill are Euthyphronic, and the same holds true for electronic currency. The ten-dollar bill has value because people accept a certain system, according to which these particular paper notes have been made using this particular process and have this particular value. It is not the other way around—that the paper notes have value of their own that we have come to detect. For similar reasons, the value and validity cannot be considered intrinsic to the paper note. We can consider the attribute of egalitarianism as well: As has been discussed in previous chapters, there can be many different currencies, and while this type of paper notes may be considered to have value among one group of subjects, another group of subjects may consider some other type of paper notes to have monetary value, or even some type of object made of another material. There is no reason to think of one of the groups as more correct than the other.

CONCLUSION

In this chapter, I have gone through a discussion of some attributes of subjectively instantiated properties in order to examine whether it can be said that money is subjective in an ontological sense. I have argued that it is subjective in that sense, as well as an interactive kind. The motivation at the beginning of the chapter for that whole survey, however, was the matter of whether money and monetary value could be considered real. Doubts have been expressed about money or monetary value being real for the very reason that

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they might be subjective. Now that I have argued that they are subjective, some might assume that the implication would be that they are not real. That is, however, not what I am claiming.

In any sense that I find relevant, I certainly think that a subjective kind can be real. The fact that something exists by virtue of the mental attitudes of subjects does not have to imply that it does not exist. If anything, it implies that it *does* exist. Furthermore, as I mention above, the continuous scale between the objective and the subjective, suggesting that some things may have some but not all of the attributes of the fully subjective, gives us reason to think that social kinds are, while subjective, not free of objective elements. A common measure of realness is through causal effects, which money certainly seems to have, and this is something that needs to be considered as well. The effects of money and its role in shaping the lives of people around the world must be taken into account. The second section of this book is dedicated to that.

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Part II

Money in the World

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Chapter Four

Money as a Measuring Device

EXCHANGING ONE THING FOR ANOTHER

In chapter 2, I discussed Simmel's distinction between intrinsic and extrinsic value, which seemed similar to the distinction between use value and exchange value. But his distinction had another interesting feature: Simmel describes intrinsic value as *qualitative* and extrinsic value as *quantitative*. We value specific objects for their specific features or qualities, whereas money can only measure value in quantitative terms. In this process, says Simmel, something is lost, as the qualitative value is diverse and representative of the uniqueness of the objects, but the quantitative value measured by money can only be of one kind.

A few decades after Simmel wrote his book, Paul Goodman aired similar concerns regarding the quantifiability or measurement of value, in his paper "The Moral Idea of Money,"[1] where he wondered how we can ever exchange one thing for another. We could obviously never use a pair of shoes *instead* of a barrel of flour, so why would we ever consider the two things on a par, enough to be willing to exchange one for the other? "When two things are different, such as gold and shoes, or in a barter, shoes and a barrel of flour, how can one be made to do service for the other? What is the exchangeable property in anything, of which money is the symbol?"[2]

Goodman argues that what really happens is that we take away the value and assign what he calls "indifference" to the objects. This not only holds in the case of objects, but anytime something is exchanged for something else, whether it is an object, work, or money. According to Goodman, money

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serves the role of enabling these exchanges; in short, it might be said that when we use money to pay for goods or compensate someone for their work, we are assigning quantifiable value—amounts of money—to something that has qualitative value, such as human work, or things that add to the quality of human life. The property that money is then measuring is not the actual qualitative value of the goods or services that are exchanged, but this exchangeable quality: their *indifference*. All exchangeable objects have this quality, indifference, that can be quantitatively measured, and objects with the same amount of indifference can be exchanged for one another.

What Goodman calls indifference sounds quite similar to what has been called exchange value in previous chapters. How do we determine that the value of one object is equivalent to another of a very different kind so that we are willing to exchange them for one another? I take it that most of us do not engage in bartering very often nowadays, and thus do not have much experience with such decisions. My own experience seems to be mostly limited to swapping valuable cards or pieces in board and card games. But a very similar concern arises when we use money for measuring value. How do we determine how much an object is worth by giving it a price value expressed in a number counted with money? We certainly do seem to use money to measure value, or at least we often take it for granted in everyday speech that the value of all kinds of things around us can be expressed in numbers through money. Some way or another, we use money to measure the value of objects. Or so it seems. We make decisions almost every day about how much money we are willing to spend on certain products, about what to buy with our money, what we consider too expensive, and so on. How do we make those decisions?

MEASURING THINGS

When thinking of money as a tool of measurement for the value of consumer products, we can try to think of it as a scale of measurement like any other—like the metric scale, for example. In that case, we ought to be able to use a price-measuring device in a similar way as a tape measure in order to measure the correct price of an object. Of course, things are not quite that simple. One problem is that it is far from clear what kind of value it is that we are measuring when we estimate the price of an object. It is easy to say that it is the exchange value, or Goodman's "indifference," but what exactly does that mean?

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Suppose I have a dozen eggs. Can I use money to determine the *real* value of the eggs? In what does it consist? The eggs have measurable properties, of course: They have a certain size, shape, and weight, for example, and they can be counted. They can provide nutrition in a certain manner to a certain number of people for a certain amount of time, and if we wanted to, we could scrutinize their nutritional content even more carefully. And there are other things that can be done with eggs. Some people like to throw eggs at some other people, or at buildings, statues, or other structures. Eggs have been used to make paint. But are all of these options represented in the price of eggs? If so, shouldn't eggs always have the same price everywhere?

There is one problem that we run into right from the start: Money can only be a quantitative measure with output in quantitative values. We count a certain number of krónur, dollars, pounds, or euros, and that is all there is to it. On the other hand, the objects that we seek to buy for money are bound to have qualitative value; otherwise, we would not attach value to them. If I wish to buy a dozen eggs more than I wish to buy half a dozen, the reason is presumably that I have some use for the qualities of eggs, and also that I can use a whole dozen of them. It is not only that I prefer the number 12 over the number 6. If I thought eggs had no *qualitative* value whatsoever, I would not want them in any *quantity*.

This can be regarded as a way to frame the distinction between use value and exchange value: The qualitative value is here considered parallel to the use value, and the quantitative value is considered parallel to the exchange value. "Use" must of course be liberally interpreted here; perhaps I appreciate the eggs for some impractical qualities, such as their being aesthetically pleasing, which in this case falls under use value. It is also possible that I personally do not care for eggs and do not plan to use them, but know they have a high market value elsewhere, so my reason for buying them could be that I am going to sell them again. In that case I would be focusing on their exchange value. However, the ultimate reason why eggs are valued, at least in our society as we know it, is that there are people somewhere who value their qualities and use them.

But back to the price of the eggs: The price of a product, whether it is an egg or something else, is influenced by numerous factors apart from the qualities of the product itself, such as supply and demand, the cost of production, and how affluent the potential buyers in the area are. This makes it somewhat confusing to think of money as a scale of measurement. What is really getting measured?

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I will discuss issues concerning the cost of production, or work, in the next section. The question we can ask here is whether money can really measure the value of the qualities of the eggs, the need or demand for them, supply, etc. Let us suppose that most humans were to take up a vegan diet (or develop an egg allergy), and furthermore, that people became averse to using eggs for any purpose other than eating them. In that kind of environment, the price of eggs would drop, as the demand would become very low. In another kind of environment, in which people liked to eat eggs but lived in extreme poverty, the price of eggs would also be very low, but for an entirely different reason. There are explanations for the low price of eggs in both cases, but those explanations are very different. What does not seem to make sense is to claim that the price is a measurement of the value of an egg. We can imagine a hungry person who likes to eat eggs visiting either of those environments. To that person an egg will have exactly the same value, regardless of where she is.

It is time to bring up the point that the price of a commodity is generally not considered to be the same property as its value, and in many economic theories there are even formulas meant to express the exact relationship between price and value. How exactly the difference has been phrased varies somewhat. On some definitions, the value being described seems to be similar to what has been called *use value* here. Something to consider in this respect are notions such as "fair price," "underpriced," and "overpriced." When a product is said to be overpriced, the idea is that the price does not reflect its "true" value, and that it is really worth less than the price suggests. And when people feel that they have made a bargain, it is because the price they have paid is lower than what they perceive as the value of the object. A fair price is then what comes close to representing the "true value" of the product, and then we run again into all of the complications when it comes to estimating that true value.

It must be noted as well that monetary value, or price, does not only represent the value of consumer products. We have a great many monetary currencies that are compared to one another, not to mention that even a single currency undergoes changes over time. Thus, the calibration of the measurement system is quite different for money than it is for "regular" measuring systems. When we follow daily changes in air temperature, we rely on the thermometer to be the same from one day to another, even during the course of weeks, months, and years. If we need new measuring instruments, we will still use the same units for measuring air temperature, and they are not

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subject to any changes. Even though there are different systems with different units in play (such as °C and °F), their calibration with one another does not change over time. We do not need to check the papers in the morning to find out how much 1°C is in °F today, relative to yesterday.

With money, it is a different story. I may pay a certain amount in ISK for a dozen eggs today, and a few weeks later, the price has gone up because of currency changes. There is inflation and deflation, appreciation and depreciation, and while what this used to mean had to do with how much gold or other precious metals one could get for a unit of the currency, what it tends to mean nowadays is the worth relative to other forms of currency worldwide, and its purchasing power. In other words, the sentence "The temperature is 15 degrees" will mean the same thing on two different days, but "The value of a dozen eggs is 400 krónur" may have different meanings on two different days because the measurement scale of "Icelandic krónur" may have changed in the meantime. Thus, the measuring scale seems somewhat arbitrary and far from constant.

MEASURING PEOPLE

Money is not only used to measure the value of objects, strictly speaking. I remember reading in a newspaper a few years ago that the Icelandic singer Björk was worth 5 billion Icelandic ISK, and that this made her worth more than Emma Watson and Hugh Hefner. When I read the article more closely, it became clear that the journalist was not literally referring to Björk's, Emma's, and Hugh's prices on a slave market, as some might have thought, but rather to the value of their properties and assets. According to the website celebritynetworth.com, Vladimir Putin is worth 70 billion USD, Queen Elizabeth is worth 600 million USD, and Mark Zuckerberg is worth 72 billion USD. Presumably, these numbers refer to their assets and are not meant to be a measure of their worth as human beings.

It is hardly a coincidence that we tend to equivocate like this on the worth of people and their material assets. Given the way our society works, some people are considered more interesting and more important than others, and some people's time is considered vastly more valuable than that of others. Or, to be precise: Rich people's time is considered more valuable than poor people's time. Nobody would ever consider offering any of the people I have just mentioned the same hourly pay for cleaning toilets as they would to a poor immigrant worker. The reason for that might be that a wealthy person

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would never consider performing such work for such low pay, so making them such an offer would be futile, but somehow that does not seem to be the sole reason.

We might try again and think of money as measuring work. This should be in line with the so-called *labor theory of value*. The labor theory is most closely connected to Karl Marx, but a form of it was also endorsed by Adam Smith and David Ricardo. According to this theory, the value of a product is determined by the work needed to produce it. Since the price of a product should reflect how much work lies in its production, we can think of a given amount of money as equal to a certain number of minutes or hours of human labor. Given this kind of account, money is ultimately measuring time spent working. Money can of course be used as direct compensation for labor performed, rather than for paying for goods, and then it measures the value of the workers' time directly.

There are local currencies that seem to be based on favoring the labor theory by defining the currency units in terms of hours. An example is the Ithaca Hour, used locally by some businesses and inhabitants of Ithaca, New York.[3] The definition of the unit "hour" there is work hour, so that one Ithaca Hour is considered fair payment for an hour's work.[4] But if we consider how money is used most of the time, this is not how things work. One consideration is that not every human's time is valued equally: Some people get paid much more than others for an hour's work. At least in most societies, there is no such thing as a fixed price for one hour's worth of human work. Thus, we cannot say that an amount of money is the price of an hour's work without specifying whose work, and what kind of work.

But on what grounds is it fair to value work hours unequally? Should we be considering who it is who performs the work and thus value some people's time more than that of others'? If so, how do we determine that? Is it because some are more deserving—and what does that mean? Is it because of qualifications, because of need, or because of something else? Another way is not to consider the people but the type of work performed. Perhaps some work is more valuable than other work. Or perhaps we should consider whether the work is unpleasant and compensate extra for unpleasant work. Of course, all those criteria have been used at one time or another, and still are. What we may be able to take from this is that while work is clearly something that we place a value on, and something we might be able to say that money is meant to measure, money does not provide an exact measuring scale for the value of work.

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There is a long tradition of using human labor, and, indeed, human lives, as a basis for currency. In ancient and medieval times, in various parts of the world, slaves were used as currency, people were used as pawns, and monetary systems clearly defined the worth of human lives. In the Icelandic law book *Grágás*, from medieval times, an average-size male slave is estimated at the same worth as twelve cows, or twelve ounces of silver. If he is very large and strong, his worth is double. A female slave only has the worth of eight cows, or eight ounces of silver, but twelve if she is intended as a concubine. We may wonder here to what extent this kind of evaluation consists in evaluating work potential, and to what extent a human life itself is being estimated. From the point of view of a slaveholder, it is presumably the work performed by the slave that is considered to have value, and a disregard is shown for the fact that a human life, including a human will and human needs, is at stake. From the slave's point of view, things are completely different, of course.

Furthermore, various forms of human labor have been used for paying debts. This includes slave labor and assorted forms of bonded labor, which is still thriving in many parts of the world today. Debts and the dependency relationships formed as a result can by no means be overlooked when the monetary system is considered, and in some accounts, what money really measures is debt. While the traditional form may be a master–servant relationship, where the borrower is forced to labor for the lender, many have recently argued that workers in modern-day developed countries have similar dependency relationships with financial institutions.[5]

For obvious reasons, it is impossible to do justice here to the long and horrible history of human slavery, of its many variations ranging from assorted forms of bonded labor to chattel slavery, the enormous dehumanization involved, or the implications with racism or other forms of contempt for "the other." It is important to note, however, that there has been overlap in the history of money and slavery, and that human lives have in many ways been used as a basis for monetary value. It is not a coincidence that I merge the discussion of the measuring of the value of work and the value of human lives into the same section. The exploitation of labor through slavery and other forms of coerced labor has often blurred the distinction between the two.

This takes us in two directions that will merge again. Medieval and ancient laws contain rules about how to compensate for the loss of a life or for injuring a person. An example of this is *wergeld*, to be found in many laws in

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medieval Europe. The function was that someone who caused injury to someone else had to pay a sum of money to that person, relative to the severity of the injury. The highest amount was to be paid for causing someone's death (to the grieving relatives, presumably). Furthermore, these fines could be different depending on social rank, so it would be more expensive to harm a nobleman than a pauper.[6]

This does not seem all that different from modern-day insurance policies or lawsuits, even though the system through which things are carried out has changed. Those suffering an injury may require compensation, and when the matter concerns injury to a person who is still alive, the compensation for the loss of ability to work is of great importance. This can also hold in cases of death, especially if the deceased had dependents relying on her income. Thus, compensation for the loss of a human life can involve compensation for the loss of billable work hours. This hardly means that people place no other value on their lost loved ones, but is more likely to show us that once we try to quantify something like a human life with money, this is the best we can do, and that a whole lot can never be expressed in such terms.

David Graeber expresses the difficulty with the measurement of human lives thus:

> How is this calculability effectuated? How does it become possible to treat people as if they are identical? The Lele example gave us a hint: to make a human being an object of exchange, one woman equivalent to another, for example, requires first of all ripping her from her context; that is tearing her away from that web of relations that makes her the unique conflux of relations that she is, and thus, into a generic value capable of being added and subtracted and used as a means to measure debt. This requires a certain violence. To make her equivalent to a bar of camwood takes even more violence, and it takes an enormous amount of sustained and systematic violence to rip her so completely from her context that she becomes a slave.[7]

Graeber is discussing the use of human lives as units of account for debt. The kind of debt we are most familiar with nowadays consists of simply owing money to the bank. We borrow money with interest and end up spending a very long time paying it back because of the interest rate. This makes the measurement of debt rather inexact: One amount is borrowed, but the amount that is owed and ultimately paid back ends up being much higher. But whether it is the modern form of debt to the bank, or the older form

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where humans are used as pawns, the idea is that people must work in order to pay their debts.

The connection of work to monetary value seems to be strong in our minds. We have a tendency to conceive of money as compensation for work and as some kind of measurement of work performed. At the same time, we use the money earned to measure the value of commodities we need or desire. This means that the value of both the work and the commodities needs to be quantifiable into monetary value. What is also important about this idea is the prominent notion that ownership of money should be earned through work. The prevailing presumption is that in order to receive money, one must be deserving of it. Of course, there are some exceptions to this, such as when people receive money as a gift, inherit money, or win it in the lottery. It also tends to be considered in order to make money through betting or other ways of being clever that do not require hard work. Thus, luck and smarts can replace hard work when it comes to being deserving of money. We could also get into how the financial market creates financial value through interests, derivatives, etc., but let us keep the focus on the work aspect.

Somehow, there is a tendency to think of work as closely related to monetary value, and of those who work as those who truly deserve ownership of money. This can also be seen when considering attitudes among affluent people toward making financial donations to the poor. Support for aid to those in dire need is quite widespread, in the sense that most affluent people are not opposed to donations of food and other absolute necessities when there is a famine, a natural disaster, or other crisis, for a limited period of time. But when ideas about giving money directly to poor people without any particular conditions are brought up, many become skeptical. Can those who have not earned their money through hard work be trusted with it? Won't they just spend it on something they do not need? Wouldn't it be better to lend them the money? Or maybe someone else should take the money and buy useful things that can then be donated to the poor? Won't people become lazy if they receive money as a gift?

It should be mentioned that various experiments have been done with donating money to people living in poor areas, in various countries, both with and without conditions regarding how the money could be spent. The results from this seem to have been reasonably good, but this research is fairly new, and only a few studies have been conducted so far, so it is difficult to draw many conclusions.[8] We might, however, wonder how appropriate it is to worry about this once we consider the way affluent people

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spend their money. Surely, a great many people who are not poor throw away money on completely useless things. If the presumption is that the result is bad if a poor person spends donated money on something useless instead of something practical, we must be assuming that this person has less of a right to the money than a wealthy person has to the money he spends on useless things.

MONEY AND WORK

In recent years, the idea of unconditional basic income has become increasingly popular in many circles; some cities in Europe have begun experimenting with some forms of it, and politicians and economists of note have announced that they favor it, such as Joseph Stiglitz.[9] This is by no means a new idea. It can be traced at least as far back as the seventeenth century, and it played a significant role in utopian socialism in the nineteenth century. The basic idea here is that in a society in which there is no shortage of material goods, each member is to receive a regular payment, irrespective of employment status. This payment should be sufficient to cover all necessities, which is why it is called a "basic income." Thus, everyone is guaranteed basic sustenance, just for existing and being a member of the society. Instead of getting paid for working, people receive money because it is presumed that they need it, and there is not a necessary connection between money and work.

Some have objected to the idea of an unconditional basic income for the very reason mentioned above—that people should have to earn their income through work and not get money for nothing. Different versions of such objections have been presented. Some have claimed that unconditional basic income rewards those who are lazy and encourages various vices. In the end, good, hardworking people would bear the burden of keeping everything going while the lazy ones would get away with free-riding the system. And some mention that people do not deserve money without working for it.

We can divide possible objections against unconditional basic income into two categories. On the one hand, there are practical objections, such as that it is too expensive, and that the given society under discussion cannot afford it, or that it is likely to have some negative behavioral and/or social effects. On the other hand, some might be opposed to it based on the kind of principles I have been discussing. That is, some might think that it would be downright unfair to give money to all irrespective of their work contribution.

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Inherent in this is the idea that money is at its core compensation for work performed.

Concerning the latter, there are other ways to think of money, as we ought to be beginning to realize. We can think of it as something people are awarded in accordance with need, for example. And to some extent, this is already practiced. People do not hesitate to buy things for children or even give them money if they are old enough to handle it themselves. And money is, after all, sometimes given to people who need it, and who are for one reason or another unable to earn the income they need. Thus, the idea of need-based money contributions is something to which people in general are not completely averse. But perhaps the idea is that at least it should be the general rule that people earn their money, because it takes work to create financial value, and thus to create the money. This can be considered a crude version of the labor theory of money, and it is not surprising that people have a tendency to adopt it. After all, do we not need to work in order to make things? And aren't things needed to increase value in the world? Furthermore, in most cultures, productivity and efficiency are praised as virtues.

The above concern seems to be derived from both theoretical and practical considerations about money. Ideas about what the value of money consists of come together with worries about possible negative social effects if it is not a general rule that people are made to work for their money.

Let us now focus on the first worry—the practical one. In a paper entitled "Wickedness, Idleness and Basic Income,"[10] Doris Schroeder responds to this concern. The worry as she draws it up is that in a society awarding an unconditional basic income, those who are lazy and idle, and thus not good people, are rewarded and get to be free riders, while hardworking good people have to sacrifice themselves to keep everything running.

Let us first consider the term *idleness*. If people receive a basic income, they get enough for their basic needs without having to worry about employment. So a person is, in that sense, not forced to take a job in order to survive. Idleness is meant to describe non-activity, which is associated with being unemployed. What Schroeder starts out considering is whether idleness automatically entails wickedness, and she finds it obvious that it does not. A person who is non-active, or idle, is not thereby evil. And being in a non-active state is not obviously an evil activity. We could, however, look for a causal connection. Could it be that people who waste too much time being idle end up engaging in harmful or even criminal activities?

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If it is really the case that receiving a basic income without having to be employed makes people non-active, and thus idle, and that in turn causes them to engage in harmful activities and even violent crime, we certainly have a reason to be wary of a basic income program. Schroeder argues, however, that such a causal relationship is very much undersupported. There is some correlation between unemployment and criminal activity, but that on its own does not show that idleness is what causes people to turn to a life of crime, as there are several other aspects of unemployment that can be causal factors there, such as lack of financial means, social stigma, and a feeling of hopelessness—all of which might actually be removed if a basic income program for everyone were in place. Thus, Schroeder claims that we have, at this point, no evidence that idleness, rather than factors associated with it in our current social environment, causes or contributes to a life of crime or other social problems.

But what about idleness in a larger context? Is there an element of wickedness inherent in idleness? Is it morally wrong to be idle? Schroeder mentions Mahatma Gandhi, who said that for everyone who lived in idleness, there was someone else who had to work twice as much. Given this way of thinking, there is a certain amount of work in the world that needs to be performed, and it seems only fair that this work is evenly distributed. There is also an underlying assumption here that the work is difficult and unpleasant, or at least that an idle person is better off than someone who is working, other things being equal. This line of thinking, involving the idea that being productive and hardworking is a virtue, is presumably familiar to most. And we can picture ourselves in the shoes of someone who has to perform some very unpleasant task, such as cleaning a large floor, while someone else watches us and does nothing, and there certainly seems to be something unfair about it. We can even imagine a more direct version, where two people are pulling something heavy together, or are supposed to be pulling, but it turns out that one of them is not really pulling so the other is doing all the work. There is even a commonly used term for this: to pull one's weight. Failing to "pull one's weight"—to do the share of work that one has been assigned to perform—is usually considered a form of cheating.

But there are other ways to look at this. Arguments have been made, from different perspectives, for the reduction of work in the world. It tends to be assumed that it is essential for the economic health of any nation to strive toward economic growth. Thus, the monetary system is taken to be an ever-growing structure. It follows from this that people should be encouraged to

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work as much as possible in order to maximize production and keep the wheels of industrial activity turning, which is what induces economic growth. However, it so happens that we live in a world where overconsumption and overproduction is causing massive global damage on such an enormous scale that the only reasonable hope for the future of our planet consists in scaling down. This is not something that can be waved away. A recent study of twenty-nine Organisation for Economic Co-operation and Development (OECD) countries over a period of thirty-seven years showed a clear correlation between the number of work hours on the one hand and the global footprint and carbon offset on the other.[11] We have strong reasons for wanting to challenge the current monetary system; we cannot keep assuming that economic growth is equivalent with human welfare when it threatens the future of our descendants.

Another perspective can be called the *human flourishing perspective*. In his essay "In Praise of Idleness," published in 1935,[12] Bertrand Russell argued that the workday ought to be shortened to four hours, and claimed that the working classes had been falsely led to believe that being hardworking was a virtue. These were ideas he discussed elsewhere; earlier he claimed that people worked too much all over the world, and that it was important for everyone to have enough free time so that cultural life might flourish. He emphasized the importance of doing things for pleasure rather than only for financial or practical purposes, and stressed the value of education and knowledge for their own sake instead of merely for economic or practical value.[13]

Close to the human flourishing perspective put forth by Russell is Schroeder's rejection of the claim that idleness is always bad. Schroeder claims that our society has been changing over the years, and that we have good reason to think that everybody's participation in the workforce is not needed. Societies with fairly high unemployment rates, early retirement, and short workdays—in other words, where a significant proportion of people are not a part of the workforce—are doing quite well, economically speaking. This is in line with many recent predictions about increasing unemployment in the future. And if it is highly plausible that we are facing a future in which a significant proportion of the population cannot expect to be employed, it is surely important to find other ways to enable everyone to lead good and fulfilling lives and participate fully in society, not to mention be able to meet their basic needs. Furthermore, a need for a reduced workforce is also consis-

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tent with the environmental considerations mentioned earlier, with respect to overconsumption and overproduction.

Schroeder also voices doubts about the assumption that work is unpleasant or a burden. This seems to differ enormously depending on the kind of work at hand. There are of course some tasks that people are extremely unlikely to enjoy performing that still must be performed, and will truly qualify as burdens—for example, jobs considered to be "menial labor," not to mention tasks that involve filth or foul smells, or are repetitive. Many of these jobs are nonetheless important, and necessary.

On the other hand, a great deal of work that is performed is work that people enjoy, that they find fulfilling and rewarding, and that can by no means be called unpleasant, let alone a burden. What may seem strange is that the unpleasant tasks are often low-paying while the pleasant work is better paid. This consideration casts doubt on the assumption that those without official employment would always be "idle," as people may feel motivated to work for reasons other than financial compensation.[14]

According to Schroeder, things like these ought to show that the assumption that idleness is evil is highly dubious. If anything, those without work are at least as likely to be missing out on something fulfilling and rewarding as they are to be failing to share an unpleasant burden. Schroeder argues that a basic income would relieve the poor of being in the situation of having to perform unpleasant, burdensome work for low pay. Instead, the pay for unpleasant necessary tasks would rise, because nobody would feel forced to perform them.

This is by no means intended to be the final word on the merits of unconditional basic income. As I mention above, there may very well be practical reasons to think of other ways to distribute economic goods fairly. But it seems to me that the option is at least worth consideration, and that the way we have come to think of work and financial goods as tied together is due for closer examination.[15]

COMMODIFICATION

Now, why, we might ask, is quantifying the qualitative a problem? After all, we seem to do it all the time. We have beauty contests, contests for all kinds of art forms—literature, music, theatrical performances, etc.—where contestants are ranked and assigned a number. Surely this means that we assign a quantitative value to qualitative values. Furthermore, we have all kinds of

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grading systems, quality-control systems, ranking systems, and so on, where we assign numbers on the basis of quality, so we certainly do put quantitative measures on various things that are still best described in qualitative terms. Is there some kind of limit to what can be measured this way?

Or perhaps we should be asking more directly whether we can put a financial value on just anything. After all, doing so certainly requires quantifying it as well. Commodification has been a widely discussed topic within philosophy, and views have for a long time been divided. There are those who believe that if something has a price, it loses other values or is corroded in one way or another. Immanuel Kant, for instance, believes that "[i]n the realm of ends everything has either a *price* or a *dignity*."[16]

Representing the other end of the spectrum is the economist Gary Becker in his book *The Economic Approach to Human Behavior*.[17] Becker claims that people should be able to calculate all aspects of their life. When a person has to make a decision about going to school, getting married, having children, getting divorced, or being fair to other people, the pros and cons can always be considered through an economic analysis. We can always think to ourselves: "Is this worth buying?"

> According to the economic approach, a person decides to marry when the utility expected from marriage exceeds that expected from remaining single or from additional search for a more suitable mate[.] Similarly, a married person terminates his (or her) marriage when the utility anticipated from becoming single or marrying someone else exceeds the loss in utility from separation, including losses due to physical separation from one's children, division of joint assets, legal fees, and so forth. Since many persons are looking for mates, a market in marriages can be said to exist[.][18]

Becker's book about the economic approach to life was published in the 1970s. The philosopher Michael Sandel has recently written about the marketization of human actions that has been developing over the past few decades. Among other things, Sandel critically examines a development in the trend of paying people to solve various social problems, be they large or small.[19]

Examples of monetary incentives to solve social problems come in different forms, according to Sandel. He mentions a program that pays schoolchildren for doing well in school in low-income and underprivileged areas. The program will pay for things like turning in homework and doing well on a test, or for good attendance or reading books. Results of such programs have

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been somewhat mixed; some have not seemed effective, while others have shown positive results in improved grades and performance. What has been interesting is that the amount of money offered does not seem to make all that much of a difference where there have been positive results; programs with higher amounts offered have not proven any more effective than programs with lower amounts.

Another example mentioned by Sandel is a program in the state of North Carolina, where a program called Project Prevention will pay $300 to drug-addicted women to get sterilized. Others include programs where people are paid for taking antipsychotic medication or anti-blood-clot medication; where teenage girls are paid to get vaccinated against the HPV virus; or where people are paid to quit smoking or to lose weight.

There are two important questions to be asked concerning these kinds of incentives: 1) Do they work? and 2) Assuming they do work, is it right to use them? At least some of the health-related incentives are likely to work, in that they may encourage people to take medications or get vaccinations. And there have certainly been drug-addicted women who have chosen to get sterilized in order to get $300. It has proven less effective, at least in the long term, to pay people to quit smoking or lose weight.

The second question is much more difficult: Is it right to use incentives of this kind? Perhaps they are harmless in some cases, if the benefits of the desired behavior in question are clear and there are no particular concerns about negative effects. What is the harm in giving people a little extra encouragement toward positive behavior? But what if the behavior comes with associated risks, or if there are negative effects as well that might cause regrets? A decision about sterilization, for instance, is hardly one to be made lightly. Is a woman with a drug problem, apt to be in dire financial straits, likely to be in a good position to make such a decision when tempted with money?

This suggests another concern: Do the outcomes always line up with the wishes and interests of those tempted with the incentives, and when should that matter? For example, giving up smoking clearly seems to be in the smoker's own best interest, and so is doing well in school. Participating in a recycling program is something that is more of a joint social interest; while it requires a little extra work from the individual, it is still very unlikely to be downright harmful to those participating. But something like sterilization or other larger, more controversial, life-changing decisions for an individual are much more difficult to deal with in this respect. Who knows whether steril-

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ization is a good decision for a woman, even though she is a drug addict? Some drug addicts kick the habit and wish to go on to have a family after that. Pushing someone toward such a decision seems like manipulation. And then of course we may wonder why other uses of financial incentives should not be called manipulation, as well. Or should they? Can there be harmless manipulation? Is this the same as bribing, and is that ever acceptable?

Incentives can, of course, be used in cooperation with the person who is being incentivized, and people even try to come up with incentives for themselves. I can, for example, promise myself that if I run ten kilometers, I get to spend a certain amount of money on something I want. It does perhaps not make perfect sense to say that I would be trying to manipulate myself. Instead, this would be called a self-control technique, as the presumption is that it was meant to help me control my behavior. And this may be where the difference lies. Trying to control one's own behavior is very different from trying to control or manipulate someone else's behavior. If using incentives is always a form of behavioral manipulation, it must matter quite a lot whose behavior is getting manipulated, by whom, for what goal, and so on. Those with great wealth have the power to try to incentivize others to behave in any way they see fit, or reward them financially for behaviors they happen to like. This can become problematic for a great number of reasons.

Another concern about financial incentives that many people have is that they may affect motivation. If people are getting paid for doing the right thing, they may never develop their own internal motivation toward doing the right thing. Sometimes it makes all the difference why people are doing something. For example, if I were to find out that my friends had been receiving payments for spending time with me, I would feel very disappointed and betrayed. This example concerns emotional aspects of human behavior, but motivation is important for moral behavior as well. It seems to matter that the reason why I do not commit a murder is that I have an internal moral sense telling me that it would be wrong, not just because I would have to pay an enormous amount of money if I were to do it, or go to prison. Financial incentives provide external motivation, which may in some cases be useful; but in other cases, the cultivation of internal motivation is very important. In those cases, putting a price tag on the behavior may have a corrupting effect. This is the worry when people talk about corruption and bribes: Someone who is supposed to be making a decision while guided by his or her moral sense, unaffected by self-interest or partiality to friends and family members, is being influenced by external factors such as money. So

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bringing money into the picture can in some cases change the nature of decision-making.

Sandel discusses fines as well as incentives. Fines are what we can think of as reverse incentives. The idea is that a fine is something that we want to avoid paying, so that if there is the threat of a fine, people try to adjust their behavior so that they can avoid paying it. In order for a fine to work, it must be high enough so that people do not find the temptation of the forbidden behavior worth the risk of having to pay the fine. For example, even though it may be tempting to park your car wherever seems convenient, it may not be worth the risk of having to pay a high fine if you get caught. The problem with fines is that what counts as a high-enough fine seems different to different people; it is relative to their means and circumstances. For instance, suppose the fine for parking illegally is 10,000 Icelandic krónur. For someone who is just scraping by, that is high enough to affect their behavior, but someone with a very high income can pay this fine without worrying about it. Thus, the wealthy person may consider it worth the 10,000-krónur fine to park their car in the nearest convenient spot. What has happened is that the rich person is treating the illegal-parking fine as a somewhat unusually high parking fee. This kind of thing happens quite often, especially when there are low fines for some undesired behavior; people end up treating them as fees.

The theme here is not incentives, fines, or fees in and of themselves, but whether or to what extent anything and everything should be tradeable. There are matters of enormous complexity looming when it comes to the commodification of the human body, such as the sex trade and surrogate motherhood. These matters will not be discussed here—not because I do not find them worthy and interesting, but because they could easily take up the whole book (and others are already doing great work on these issues). What interests me here is slightly different but concerns commodification of human life as well: Can a person's self-determination, future prospects, and ability to make life decisions unaffected by others be quantified so that it becomes fair game for others to try to affect them for a certain price?

What I have in mind are examples like incentives for drug-addicted women to undergo sterilization, but we could consider other scenarios. In what way is the sum of $300 relevant to the woman's decision to undergo the procedure, assuming that she had no such plans beforehand? Could this be considered a fair price for interference in that kind of decision-making? Does it make a difference that the woman is addicted to drugs? Are there other life-changing decisions that can be affected for a price? For example, should it be

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possible to interfere in a young person's choice of career? What price would be fair for such an interference? I take it that readers are suspecting that my questions here are mostly rhetorical, and that I am opposed to the kind of interference in question for any sum of money. The key here seems to be that a person's right to self-determination when it comes to important life decisions cannot be quantified.

Another issue concerning quantifiability and commodification is the tradeability of goods that have an impact on everyone, even future generations. Trade with pollution quotas and permits or environmental certificates comes to mind. When it comes to this, one of the questions that arises is how one person or a group of people can decide on a price and sell something that seems to concern the interests of a much larger group, even of people who do not yet exist. Concerns about exploitation have arisen as well when rich countries have bought pollution permits from poorer countries. Should such permits even be tradeable?

The example I would like to explore does not concern the buying of pollution permits from a poor country, but of so-called guarantees of origin from a well-to-do country with plenty of so-called clean energy.

The electric energy used in Iceland comes (practically) exclusively from renewable sources, thanks to abundant hydraulic and geothermal energy. In fact, geothermal energy is used for heating 90 percent of the country's homes.[20] Thus, sustainable energy is considered an important resource in the country, and Icelanders generally take great pride in it. A few years ago, however, the Icelandic public was surprised when they began to receive electric bills stating that a certain proportion of their electric power, up to 79 percent, originated from nuclear power, coal, natural gas, or oil.[21] Given that Icelanders are well aware that there are no nuclear plants on this island in the middle of the North Atlantic Ocean, along with the fact that many have visited the hydraulic power plants providing their electricity, and are generally well-informed about how their electricity is made, they felt that this could not possibly make sense.

The explanation turned out to be that Icelandic power companies had started selling so-called guarantees of origin of clean energy to power companies in other countries.[22] According to a European Council directive from 2009, Renewable Energy Directive 2009/28/EC, each country is required to draw at least 20 percent of its energy use from renewable sources. However, it is permissible to exchange or sell guarantees of origin, that is, the documents meant to guarantee that the energy comes from a renewable source: "A

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guarantee of origin can be transferred, independently of the energy to which it relates, from one holder to another" (Article 52).[23]

Users in some countries in Continental Europe may now receive a bill stating that their electricity is 100 percent clean, all because of such an exchange of certificates of origin. Perhaps they will become more relaxed about their electricity use; after all, it is clean energy, according to the power company. These certificates of origin make it even easier for these countries to fulfill their minimum of 20 percent from renewable sources, even with increased energy use by both private users and businesses that are heavier users. Of course, it is not really clean energy, but increased use of energy from unrenewable sources.[24] At the same time, businesses in Iceland wishing to prove that their products are only made with clean energy now need to pay the power companies extra to get certificates of 100 percent clean energy, even though the power they actually use is always from the same hydraulic and geothermal plants, no matter what the certificates say.[25]

The question to be asked here is, What is it that is being quantified and bought and sold? Presumably it is valuable to all of us that electricity is drawn from renewable sources rather than nonrenewable ones, and individual users of electricity may care about where the energy in their own household or business comes from. What has been traded and sold is not actual energy from a renewable source, but certificates stating that energy from a nonrenewable source is from a renewable source. The reason why this is not considered deception is that other people who do, in fact, get their electricity from a renewable source are instead sent letters stating that their electricity comes from nonrenewable sources, even though they know all along this cannot possibly be the case. If they really need certificates stating that their energy is green, such as if they are running a business requiring that kind of certification, they can get those for more money. What seems to be bought and sold is a license that has very little to do with the value that people actually place on green energy.

CONCLUSION

In this chapter, my focus has been on money as a measuring device. Measuring devices are by their nature dedicated to quantitative values, and in that sense, money is no exception, even though it is no ordinary measuring instrument. What is interesting about it as such is how extremely varied the things are that it tries to measure, and that it is not even clear that it is really

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measuring monetary value. By looking at the way price is used to quantify the value of various objects, humans, work, and various commodified things, I hope to have shed some light on the complex relationship between quantitative and qualitative value with respect to money.

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Chapter Five

Inequality and Money

THE PROBLEM OF INEQUALITY

Many of us grew up believing that the world was slowly becoming more just. We believed that we were on our way toward greater equality in every sense of the word, including greater prosperity, and that in the future, poverty would be a thing of the past. For a certain period, during the course of a few decades in the twentieth century, this was the direction of how things progressed. But right now, and for the past few decades, inequality of wealth seems to have been on the increase.

This has been somewhat contested, and complicating matters further is that there are many ways to measure inequality. Global inequality can be measured by comparing countries to one another, for instance, or by contrasting a certain segment of the world's wealthiest individuals with a segment of the poorest. These are two very different modes of measurement. Inequality can also be measured within individual countries. Furthermore, measurements of income inequality yield different results than measurements of wealth inequality. And then, of course, it must be determined what it is that should be measured when it comes to comparing different parts of the world. In what currency do we evaluate people's wealth?

The standard practice is to convert everything into USD for comparison, which then provides a certain amount of information. The number of US dollars I own in comparison to someone somewhere else in the world is informative with respect to the ability each of us has to use our money on an international scale; for example, if we both want to travel around the world,

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or be able to make purchases in random countries. This comparison, however, does not give much information about our respective standards of living or purchasing power within our our own communities. The measurement of inequality is far from simple. What is clear is that there is a great deal of it, and there seems to be a consensus about one thing: Inequality within many countries, especially developed or industrialized countries, has been increasing over the past couple of decades.

Why does inequality matter? Does everyone have to get an equal amount of everything? Some have claimed that inequality should not be much of a concern—that what *should* matter to each of us is that we get and have what we need. If there are others who get more, that should not be a problem. One example is Harry Frankfurt, who claims in his book *On Inequality* that it is poverty, not inequality, that we need to worry about. As long as everyone has enough, says Frankfurt, it is not an issue that some have more than others.[1]

We can think of such arguments along these lines: It is at least technically possible to have a "mild" version of inequality where there is no poverty, that is, where there is a slight difference of property and income so that nobody suffers unduly from deprivation, even though some have more than others to enjoy. We could technically think of a society in which the baseline was so high that even those who had the least were still not deprived: They would have enough to eat and a roof over their heads; they would have access to education and health care, and all of their basic needs would be met. There would still be many others who were enormously wealthy, so the end result would be great inequality without poverty.

There are many reasons to find fault with such claims, however. We have reason to think that how much constitutes "enough" may differ relative to how much others around us have. We also have reason to think that inequality is closely connected to poverty, and thus it may be very difficult to separate the two. Furthermore, inequality seems to have some other undesirable and even harmful effects, as it is interwoven with an ideology that includes differentiating between humans in ways that are downright offensive to those who subscribe to the ideals of egalitarianism about human worth. And, finally, inequality itself is simply unjust.

In this chapter, I will discuss three strong reasons to fight against financial inequality: The first is its close relationship with poverty; the second is that inequality entails a power imbalance between people that causes severe harm; and the third is that a justification of inequality rests on inegalitarianism and a flawed ideology.

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INEQUALITY AND POVERTY

While it may seem technically possible to have a community where there is inequality without poverty, it does not have to be likely from an empirical standpoint. It may be the case that the forces that help some people become enormously wealthy are also likely to cause others to become poor. However, before we consider this, we must consider what we mean by "poverty."

Many definitions of poverty have been offered, as might be expected when it comes to a phenomenon as old and widespread in human history. Nowadays, it is most common to give two-level definitions. One such example comes from the South African philosopher Hennie Lötter.[2] The first level, according to Lötter, is *extreme poverty*, which he defines as a lack of economic capacities, such that the person's health is in danger. In other words, someone who lives in extreme poverty cannot afford proper housing, nutrition, or health care, or fulfill other basic needs necessary to survive without at least a severe impact to their health.

The second level is what Lötter calls *intermediate poverty*. For someone in that situation, it is not their health but human dignity that is under threat, as they are not in a situation to "engage in typically human activities defined as necessary for a normal, decent human life as specified by their society."[3] Others have offered similar definitions, but called the first level *absolute poverty* and the second level *relative poverty*. Lötter argues against the use of these terms mainly because he thinks there is relativity involved at both levels.

Regarding elements of relativity in the case of extreme poverty, consider the following questions: When are we ready to say that someone has survived?[4] What is sufficient for survival? It is also unrealistic and unfair to expect those who are poor always to be able to use their resources in the most efficient way possible, any more than we would have that expectation of anybody else. For example, someone with nutritional expertise, great cooking skills, access to a market with a good variety of produce sold at a good price, as well as access to a well-equipped kitchen, not to mention time and energy to use the kitchen to cook in it, might be able to provide themselves and their family with well-balanced meals at a low cost, but someone who lacked some of these resources would not. Thus it can be very difficult to predict the minimum cost of keeping oneself fed, not to mention well fed. Furthermore, it seems unfair to expect those who are poor never to spend

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money on frivolous things or never to make spending mistakes. We certainly do not have such expectations of those who are affluent.

In other words, people who live in poverty live under all kinds of conditions. How much does it cost them to buy nutritious food? How far do they need to go to buy it? Do they have a kitchen for cooking? Are they working all the time, with no energy left for cooking? What kind of access do they have to clean water? How about health care? Do they have to pay for basic health care and, if so, how much? How much do they have to pay for housing? What kind of housing do they have access to; is it bad for their health? What are their conditions like at work? Is their work detrimental to their health?

The relative factors described above are not obviously related to inequality, at least not in the way we will see is the case when we come to what is usually called *relative poverty*, which is what Lötter calls *intermediate poverty*. Perhaps we will have to make do with a somewhat fuzzy idea of where exactly the boundaries of extreme poverty lie, as is the case with so many other things. However, the main issue with this seems to be that those who suffer from it simply do not have what they need. It is not that they are lacking resources in comparison with someone else; they are simply lacking resources given what we can reasonably consider their basic needs.

We may worry about whether inequality contributes to extreme poverty. This is a question for economists to consider, and a highly contested one at that. At first glance, it may seem obvious that as inequality increases, poverty must also increase, as the distribution of goods becomes more uneven. There are ways, however, in which this would not be the case. Some have argued that increased inequality can be justified if it increases growth at the same time, with the effect of everyone's wealth increasing to some extent. Imagine a scenario in which A has one apple, B has two apples, and C has three apples. Then A is given one apple, B is given three apples, and C is given twelve apples, in addition to those they had before. We now have a more-unequal distribution of apples within the group than previously, but it is still the case that each of them has gained apples. And then, as I have mentioned, there are different methods of measuring inequality.[5]

From a normative perspective, calculating what, exactly, would be equal when it comes to what is fair to humans, considering their diverse needs, can be a conundrum. In her paper "Justice and Equality" published in 1939, Dorothy Emmet pointed out some difficulties associated with meting out equality:

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> The use of the word "equality" at once raises the difficulty that it appears to imply a standard of comparison if not of measurement. Yet it would seem that in the ways in which people can be measured and compared, they are unequal; and if they are held to be equal in some ultimate and perhaps metaphorical sense to be examined later, it is sometimes maintained that at this level justice is superseded. If equality be merely a term of measurement, it might be maintained that if there is any sense in which men should be equal, this should be in an equal apportioning of things to which a quantitative standard can be applied. This may indeed serve us with a rough approximation to equality at an elementary, but vital, level of human life. It is possible to estimate quantitatively the number of calories people need to keep in reasonable health, and to say that in this respect certain categories (for instance, adult males, females, growing children) are approximately equal. But when we get beyond the universal requirements of food and the necessary means to maintain physical health, which can be measured with some degree of objective accuracy, we then seem driven to say that distribution must be proportionate to things not strictly quantitative. This is implicit even in the most equalitarian of all social formulae: "From each according to his ability, to each according to his needs." When seeking to weigh "ability" and "need," are we not soon moving among *imponderabilia*?[6]

Emmet's concerns here are reminiscent of the doubts expressed by Paul Goodman, discussed in chapter 4, about the possibility of measuring one thing against another. Surely, two things that are qualitatively different can never be properly compared with quantitative methods. The same line of thinking is behind Emmet's words; the lives of two human beings—their needs, desires, and so on—will always vary too much for it to be possible to measure them together and say with any kind of precision that they are equal or unequal. Emmet is pointing out that, at least if taken literally, the term *equal* does not properly apply to human life and things associated with it. And if so, then *unequal* does not really apply either. While some might think of this as a diversion, it does bring our attention to the fact that we need to think about what it is that should be equal, and in what sense we want to think of humans as equal.

Let us now consider where inequality is undeniably a contributor to poverty. In a society with an unequal distribution of resources and goods, some people will have little in comparison with others. Those are the people who suffer from relative poverty or intermediate poverty. The standards for a "normal, decent human life" in a society are set through the practices of others in the same society. If a society has many affluent members, their

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practices are bound to affect the norms; their economic capacity may even affect the prices charged for various goods and services needed to participate in these activities. For that matter, the prices of necessities may also be affected, as merchants are prone to charging in accordance with what they can expect their customers to be willing—and able—to pay.

Thus, in some cases it can be less socially isolating—and life can in many other ways be easier—to be poor among other poor people than it is to be one of a few poor people living among those who have a lot. There can be variations, however, depending on what kind of social system is in play. Suppose we have a society with a high proportion of affluent people and a few people with a very low income. One way to ensure participation in important activities of those with a low income is to make those activities cheap or free of charge, through generous state grants or other forms of subsidizing. This could be done via high taxation on the wealthy. Such a system can also be used to make sure that the worse-off people get some other needs fulfilled, such as health care, housing, etc. The effect of such a system is a decrease in inequality; even though there is great income inequality, the inequality of resources is lessened. Sometimes, the system is set up such that the wealthy are guaranteed to be in charge of this action themselves. In that case, there will still be considerable power discrepancy based on income. An example of such a system is where instead of having the state collecting the taxes, the rich donate voluntarily a part of their wealth to charities or other causes they deem worthy.

The point here is that if we have a society with great inequality, a number of people will suffer from relative poverty. As Lötter describes it, a person's dignity is harmed by living in relative poverty. This stems from not being able to participate fully in society, not living up to the demands, and perhaps not being fully respected as a worthy member of the society. After all, people of little means are frequently met with a lack of respect and other negative attitudes by other people around them, and this seems just as likely to be the case in a wealthy country, where those who are poorest would only count as intermediately poor, or if they counted as relatively poor on a global scale.

Adam Smith discussed relative poverty in terms of social necessities in *The Wealth of Nations*:

> A linen shirt, for example, is, strictly speaking, not a necessary of life. The Greeks and Romans lived, I suppose, very comfortably though they had no linen. But in the present times, through the greater part of Europe, a creditable day-labourer would be ashamed to appear in public without a linen shirt, the

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> want of which would be supposed to denote that disgraceful degree of poverty which, it is presumed, nobody can well fall into without extreme bad conduct. Custom, in the same manner, has rendered leather shoes a necessary of life in England. The poorest creditable person of either sex would be ashamed to appear in public without them. In Scotland, custom has rendered them a necessary of life to the lowest order of men; but not to the same order of women, who may, without any discredit, walk about barefooted. In France they are necessaries neither to men nor to women, the lowest rank of both sexes appearing there publicly, without any discredit, sometimes in wooden shoes, and sometimes barefooted. Under necessaries, therefore, I comprehend not only those things which nature, but those things which the established rules of decency have rendered necessary to the lowest rank of people.[7]

Smith can be seen to be describing the difference between extreme and relative poverty in this passage. On the one hand, owning a linen shirt, or a certain type of shoes, is not essential to survival. On the other, social customs may come to demand something of the kind for a person to be deemed respectable and thus to be able to participate fully in the society. And Smith mentions something else that is important as well: that the laborer without a linen shirt will feel ashamed.

People who live or have lived in poverty frequently describe an associated feeling of shame. This seems to happen in a variety of cultural contexts.[8] In other words, they feel ashamed for being poor, or for various things associated with it, such as their clothing, their homes, or other things that reveal their financial status. This may not come as a surprise, given that many people take pride in sporting status symbols that signify financial means. If being wealthy, or appearing wealthy, is supposed to be a source of pride, then it should not be surprising that those who lack wealth feel like they have failed miserably. We associate social status strongly with wealth, so that those with wealth are generally regarded more highly than those of little means. In related terms, people experience so-called *status anxiety*, as they feel they need to maintain a certain social status and display that they are of certain means. If they fail to do so, they experience shame. Studies have shown that poverty-related shame and status anxiety increase as economic inequality increases.[9] Thus, in countries and communities with high inequality, additional psychological burdens are placed on the poor, whether they suffer from extreme or relative poverty. Poverty, extreme or intermediate, not only involves a shortage of material goods, but also comes with added mental stress and suffering, such as feelings of shame and lack of dignity, on top of the inevitable financial worries.

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INEQUALITY AND POWER RELATIONS

Economic inequality often leads to conditions of power imbalance between those of great means and those of little means. There can be various reasons for this, depending on the circumstances. One is that accumulated wealth and great financial means entail great power. After all, those who become very rich often manage to gain considerable social power, such as directly over the media or direct political power, or indirect political power by being able to influence policy decisions through donations and grants. Another is that people who live in poverty often lack the means to influence their social environment and thus lack power. The imbalance, however, does not only consist in the rich being powerful in the community while the poor tend to have little power over their environment, but that situations can arise where those of greater means can wield power over people of lesser means, who for various reasons feel powerless and trapped. Those with dominant status can often get those subordinate to them to do all kinds of things serving the interests of the former that the latter would otherwise never have done, because they find they have no other choice. This is what we call abuse of power, or exploitation, and of course we can think up all kinds of examples of it. The examples most relevant here are slavery, be it for work, sex, debt slavery, or human trafficking; indentured servitude or labor; or other forms of labor under appalling conditions.

As I mention in a previous chapter, the history of debt has been closely tied to the history of slavery for thousands of years; it was common for those unable to pay their debts to become the slaves of the debtholders, or to send a family member as a slave. This arrangement is still known in many parts of the world. The moneylender acquired power over the borrower's work for a period of time to come, or even over his or her life. It does not take literal slavery for the borrower to be obligated to work for the moneylender. Peasants and leaseholders have throughout time been forced to work to fulfill their debts without having any choice, and so have many others in dire financial situations.

A powerful description of a moneylender's power abuse over a debtor can be found in Torgny Lindgren's novel, *The Way of a Serpent*.[10] It tells the story of a family of leaseholding farmers in Sweden in the nineteenth century, and begins as the grandfather of the storyteller incurs a debt to the wealthy village merchant, who also owns the land that his family lives on. The habit has been to pay in contributed work, but suddenly the merchant

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demands cash payments, which the farmer cannot come up with. The merchant then comes up with the idea to collect the first installment of the payment in sexual favors from the debtor's wife, Tea. As time goes by, the merchant visits regularly to collect payments on the debt (in sexual favors), and somehow the debt only seems to grow. As Tea begins to age, the merchant's interest moves to her daughters, and when he dies, his son becomes the collector of the debt. Because of this debt, this farmer family is in the power of the merchants, and they see no way out. "Lord, to whom shall we go?" they keep asking. And of course the answer is that there is absolutely nowhere they can go, and no one who will help them. All along, the merchants speak to the members of the farmer family as people who bear guilt, because, as we still hear today, incurring debt and staying in debt is considered shameful. One of the Swedish words for debt, *skuld*, coincidentally also the Icelandic word for debt, comes with the double meaning of "debt" and "guilt," which is of course no coincidence.

The power dynamic between debtor and creditor is evident here. The creditor practically owns the debtor. In this case, the debtors are not literal slaves, as each individual *could* refuse to participate and run away, but they know that by doing so they would be shifting the burden onto their loved ones; or, if they all refused collectively, they would lose the family home and their only means of sustenance, and have to send their children away. While living under the power of the creditor, the debtor has to endure repeated shaming, whether it is on the creditor's part or that of others, because given social mores, it is considered shameful to be poor and in debt.

Then, of course, there is the added shame that comes with giving sexual favors. Women who give or sell sexual favors tend to be shamed, even though they have very little choice in the matter, and their husbands and other family members will feel degraded as well. The men in power demanding those favors, however, seem to escape the shame. Thus, we have quite a list of burdens for the debtor here: 1) a life in poverty, that is, a shortage of various important goods; 2) diminished freedom; and 3) psychological burdens. In addition to the obvious burden of worrying that comes with poverty, we can add burdens such as shame, low self-esteem, and self-contempt. People tend to internalize the values of their community. When someone lives in a community where certain people are well respected while others are met with disdain, it is very difficult to avoid internalizing some of those feelings yourself, regardless of what group you belong in yourself. Oppression becomes internalized.[11]

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The lender's power over the borrower does not have to consist in literal slavery, as the example from Lindgren's book clearly shows. Although this example is from the nineteenth century, similar examples of people bound by debt abound from various time periods. Today, people in many parts of the world are forced to work for moneylenders or are bound to them in other ways because of their debts, not to mention people who are downright taken by force and made to work as slaves. Unwanted work because of debt can take many different forms, and the severity of the situation varies greatly. We may find anything from people who because of their debts feel pressured into taking on tasks they are uncomfortable with to those who are brought into slavery in the most literal terms because they cannot pay their debts, and are then forced to work for their creditors under inhumane conditions.

And then there are all the cases in which those in debt are not directly working for the moneylenders, such as when people have borrowed money from banks or other financial institutions, and are forced into less-than-ideal working conditions, or even extremely bad working conditions, in order to try to pay off their debt. Clearly, the conditions differ immensely; the life of a person who is living as a debt slave is quite different from the life of someone who is disgruntled at a boring job, feeling overworked, and paying off a mortgage. However, while there is a great difference in the circumstances, there is a shared element: Being in debt can restrict a person's freedom, and the debtholder has a certain power over the debtor.[12]

Owners of wealth are not always debtholders, but they hold various forms of social power all the same. They often have debts as well, even very large debts. However, they are generally in a good position to pay off their debts if needed, so their debts are not restrictive in the same manner as the debts of the poor. Also, the wealthy are often in a good position to negotiate their way out of large debts when everything fails. When large companies go bankrupt, for example, the debt sums tend to be so large that there is nothing to be done except to write them off.

Workers who are bought and sold have also been a part of the world's financial system for a very long time. Slaves have been bought and sold in many parts of the world in many eras of history. In chapter 4, I mention the Icelandic law book *Grágás* used in the tenth to the thirteenth centuries, where slaves were measured in ounces of silver, and numbers of cows, sheep, goats, horses, and strands of cloth. To name an example from a different time and place, the Code of Hammurabi, the Babylonian law book dating back to about 1754 BC, has clear directions for how slaves should be handled, how

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much should be paid for runaway slaves that are caught, etc. In other words, societies at different times have had clear directions for how to measure the worth of slaves, as the financial value of their labor has been considered important and even essential to the workings of the society.

Closer to us in time, the most prominent example may be the exportation of slaves from Africa to European colonies in the Caribbean and to America during colonial times, with slave labor contributing on a massive scale to the economies of the countries in question. It turns out that using slave labor is extremely profitable. Mary Wollstonecraft makes a passing reference to this in her work on the rights of women, with the words “Is sugar always to be produced by vital blood?”[13]—clearly meant to express her disgust at how the sugar served with a cup of tea in England would have been produced through the toil of a slave in the Caribbean. We are, of course, still dealing with the aftermath of this story and its intertwining with racism and classism in an unjust system, not least in the United States.

But slavery has not been outrooted and it still seems to be quite profitable. Nowadays, a large number of people is trafficked every year (some say 600,000 to 800,000; others say as many as 2 million), both for work and as sex slaves. In the year 2016, the Global Slavery Index estimated that around 45.8 million people were living in slavery all over the world.[14] This does not include the large numbers of people who are not strictly slaves but who work under terrible conditions in their home areas.

JUSTICE AND RIGHTS

Let us now consider on what grounds we have come to justify economic inequality. We, at least collectively, have come to believe that it is fair to pay people differently depending on how much they have worked, assuming that money is to be based on hours worked. This is not something that can be taken for granted. We could base payments on need rather than on work, for example. However, it is at least a commonly held view that it is fair to pay more for two hours worked than for one hour. Additionally, it is a commonly shared view that it is fair to pay more for skill, for a job well carried out, for experience, and perhaps based on other parameters. Many people even think that those who are clever when it comes to negotiating their wages deserve better pay than those who are not. What such views share is that they justify unequal rewards on the basis of merit. A social system in which those with great merit are considered to deserve great rewards and to achieve higher

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social status than those with lesser merit is called a *meritocracy*. Many of us have come to think of such a system as a just system, so that it is fair that those with greater merit acquire more goods, or money, than those of lesser merit.

Whether we in fact live in a meritocracy may be somewhat unclear to us, and our beliefs about it seem somewhat contradictory. On the one hand, it is very tempting for each of us when things go well and we receive something good, such as a job promotion, a salary raise, or accolades of any kind, to believe that it is well earned and well deserved. When we are in the position of having been chosen over someone else and as a result are rewarded and "get more," we might like to think that things are working out as they should—that we are being chosen because of our merits, and that what is going on is just and fair. On the other hand, it ought to be blatantly obvious to anyone that the world as it is can hardly be considered a level playing field for everyone. Some are born into enormous wealth while others are born as children of debt slaves. We can hardly expect them to compete and think that they are only being rewarded for their merits. Anyone not aware of such injustices must truly be deluded about the way the world works.

Here we see a certain conflict between a merit-based income system and a system in which property is passed on and inherited. In the scenario I have pointed out, a child of someone wealthy and a child of a debt slave are bound to be raised in extremely different circumstances and to get vastly different opportunities in life. For that matter, the different circumstances would be in place during their childhood even if property were not inherited. This shows us that actually creating and maintaining a true, just meritocracy would be immensely difficult for practical reasons.[15] People's living conditions vary a great deal, children grow up under different circumstances, and they get very different opportunities. But equal opportunities for everyone are a precondition for the carrying out of a just meritocracy. In other words: It ought to be clear that we do not live in a meritocracy when it comes to financial equality, even though there are some cultural, and even psychological, tendencies to insist that we do. I am going to claim that meritocracy is a harmful myth, and in fact, not only one, but two myths.

The First Myth of Meritocracy

To realize the mistake in thinking of the playing field as level given that inheritance rights are in place, we only need to consider the effect an analogous system would have on other kinds of equality. While rumors of wealthy

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people buying access for their children to fancy universities are sometimes heard, it would never be formally accepted for a child to get higher marks on an exam at university because she inherited a top score from a parent. That would seem very odd given our current way of thinking. It would seem equally odd for another to be destined to fail because her father was such a terrible student, and, in fact, considered in debt to the school for having cheated on exams some decades ago.

The first myth of meritocracy is quite similar to what many of us are familiar with as the myth of the American dream—even those of us who have spent most or all of our lives outside of America. This is the belief that anyone can become rich and successful if only they play their cards right. Those who fail have only themselves to blame. And as I have already mentioned, this is completely unrealistic in a world in which we know that people are born into vastly different circumstances and get extremely different opportunities. According to the myth, we live in a system where people are always justly rewarded on the basis of their talent and hard work, so that success is always well earned, whereas those who are poor must be so because they have not tried hard enough, or they have somehow failed. Perhaps they are just lazy, stupid, or for one reason or another not deserving of anything more than they have.

Perpetuating ideas such as the myth of the American dream when they are false is harmful for at least a couple of reasons. One is that those who do well are led to believe that they have only their own hard work and good talents to thank for their success, and that all their achievements and the good things in their lives are completely deserved and well earned, while those who are less fortunate are so because they are less deserving of those goods. And these beliefs will be false, because the system is in fact rigged.

Another is that those who do not fare as well are pressured into believing that they have themselves to blame for their failures. If everyone believes that we live in a just system in which everyone receives their fair share according to their merit, then surely those who have little must be thought to be in that situation because they do not deserve very much, as everything has allegedly been justly distributed. What may happen as a result of this kind of thinking is that the poor may feel torn. Someone who does not have much may feel unfairly treated, even angry, at times. But much of the time they also internalize the social messages about the fairness of the meritocratic system, in which those who have failed are sure to be losers who have only themselves to blame and who only need to try harder. This is particularly

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harmful, as it is bound to hurt the self-esteem and self-image of the people in question. They come to think of themselves as less worthy, less talented, less smart, and less able to understand their society than those who are more successful.[16] Thus, there are negative psychological effects involved.

Additionally, the negative effects on their self-esteem may make them reluctant to engage in politics and other social matters and to be vocal participants on various arenas where credibility matters. Furthermore, as they are also lacking credibility in the eyes of those who are more successful, the latter are likely to be unwilling to take them seriously as interlocutors when they do try to get heard in the public sphere.

So-called *epistemic injustice* toward those who are underprivileged takes place in various forms. Epistemic injustice occurs when members of marginalized groups do not get to be proper participants of knowledge production, do not have full credibility in the social environment, and are for various reasons, often structural, silenced. This has been considered in various forms, not to be confused with one another, such as hermeneutical injustice, epistemic oppression, testimonial injustice, and epistemic violence.[17] Being economically disadvantaged is one of the factors setting people up for epistemic injustice, through factors such as class-based prejudice, the shame associated with poverty, and educational disadvantage. Commonly held beliefs that the haves really are more deserving and meritorious than the have-nots, because we live in a meritocracy, are bound to contribute to epistemic injustice.

The Second Myth of Meritocracy

The word *meritocracy* originated in a satirical, dystopian novel, written in 1958 by the British sociologist Michael Young, called *The Rise of the Meritocracy*.[18] It is a fictional report, allegedly written in 2034, describing the forming of a true "meritocracy," where a new upper class had been formed on the basis of intelligence alone, while those with low scores on IQ tests were relegated to the lower ranks of society. This ends with a revolt by the lower classes in 2033. Young's purpose is to warn against the unequal division of goods on the basis of this kind of classification—or perhaps any classification. His point is that a class system based on IQ scores would be just as elitist and unjust as a society with different tiers based on family fortune. As Young himself says in an article published about forty years later, where he voices his dismay over the positive reception of the word *meritocracy* in later years: "It is good sense to appoint individual people to jobs on their merit. It is the opposite when those who are judged to have

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merit of a particular kind harden into a new social class without room in it for others."[19]

We may not inhabit a world in which IQ testing alone would be considered sufficient as a basis to determine what we call merit. But we ought to have some kind of idea of what is supposed to constitute merit. Perhaps it is somewhat different depending on what kind of success is at stake, but generally it has to do with some kind of mixture of talent, skill, and hard work, whatever all that may mean. And at least a common idea seems to be that if we could guarantee that everyone received equal opportunities and could compete fairly, then they would get a chance to show their true merits and be rewarded accordingly. A system in which those showing the most merits in such an equal-opportunity environment receive the highest rewards and those with the lowest merits are at the bottom would then be a true meritocracy. As I have mentioned, there are obvious practical hurdles to carrying out such a system, such as the different opportunities afforded to children of rich versus poor parents, and to that list we can add various other differences in people's childhoods. Some children are abused or neglected, while others have loving parents extremely dedicated to their well-being; some have large families and others have small ones (perhaps one is better than the other); some suffer from an illness that has a severe impact on their life; some lose a parent or another loved one or go through some other kind of traumatic experience that severely impacts their life. To make sure that everyone had the same opportunities, we would have to make all children's formative years as similar as possible, presumably by raising them in institutions.

Practicalities asides, suppose we could have a society in which it was guaranteed that people of great talent—who had practiced long and hard at polishing their skills, and kept on working very hard—would get the largest proportion of the goods; then we would have a scale, with the lazy and talentless wallowing in poverty at the bottom. And suppose that we had a proper way of measuring all of this: It would be guaranteed that we all received equal opportunities, and our merits were measured and judged in a perfectly just manner. This sounds quite utopian—but my question is: Would this be a just world? And I hope that the answer is obviously NO! A true meritocracy would be unjust because it would be inegalitarian. It would not honor the principle that all humans deserve equal respect and that they all have equal worth. What is talent, anyway, and who is to determine that? And what does it mean to be "lazy"? Is it to feel unmotivated to perform boring tasks? Or is it to be depressed? Some people have more energy than others,

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who become tired more easily and cannot help it. And what if talent or energy levels are innate? Should people be rewarded and punished for their genetic traits?

The problem is that as Young points out, there is something fundamentally wrong with classifying people as superior and inferior and rewarding them accordingly. What kind of classification system we use for it is irrelevant. In his novel, it is done in terms of IQ, and we have had systems where it has been done in terms of lineage, family relations, friendships, skin color, nationality, gender, disability status, religious affiliation, political affiliation, and a number of other criteria. This does not mean that it is not possible for one person to have certain skills that another does not have. Of course, we sometimes need to be able to track who has which skills and to distribute tasks accordingly—if nothing else, for practical reasons. It would be highly impractical (and dangerous!) to have people with shaky hands and no medical knowledge performing brain surgery. The point, however, is that even though we assign tasks to people in accordance with their talents and skills, we do not thereby have to deem the person with a certain skill a worthier and better human being, more deserving of various material goods, than some other person who does not have the skill. These are two distinct things.

It ought to be clear to anyone that we do not live in a just world when it comes to the distribution of wealth. While we are to some extent pulled toward the belief that opportunities are equal and the playing field even, it does not take close examination to see through that. In other words, while some of us might wish to believe that we live in a meritocracy, we most certainly do not. This has the effect of causing us all to have various false ideas that are harmful.

There are three billion people in the world who have less than the equivalent of 2 USD per day to live on, while there are others living in enormous wealth. It simply cannot be true that the wealthy just happen to be so much more productive and industrious than the former. So why should they have so much more? Do we really think that they are more deserving? The message we receive is that we must prove our worthiness in order to get ahead: to become gainfully employed, to get a higher position, a higher salary, etc. If we do not, we have lost out. From this we reach the conclusion that those who are wealthy in the world, the minuscule group that owns a very large proportion of the Earth's riches, are enormously deserving. On the other hand, the three billion individuals who must survive on less than the equivalent of 2 USD per day just do not deserve more than that.

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Let us consider the enormous difference in wealth for a moment. This is not a case of two colleagues at the same workplace where one is performing better and thus deserves a bonus of, say, 20 percent more than the other. No; to get to the difference in wealth at play here, we need to multiply by thousands, millions, and even billions! Can it really be that the enormously wealthy are *that* much more deserving than those living in extreme poverty? It will certainly require some fantastic performance, talent, hard work, and whatnot on their behalf if we are going to be able to justify that on meritocratic terms!

CONCLUSION

The focus of this chapter has been on financial inequality—something that is one of the greatest ills in the world, and a cause of enormous harm. I have argued that accepting financial inequality on the basis of what has seemed the most harmless way to justify it, meritocracy, is based on a fundamentally inegalitarian ideology. Furthermore, the empirical belief that the world is a well-functioning meritocracy is severely flawed as well. It causes false ideas both in those who, through all kinds of luck, get ahead in life and come to believe that they only have themselves and their own hard work and talent to thank, and in those less fortunate who are bombarded with messages about how they are less worthy than the hardworking, smart, and talented rich people. What is needed in response to this is a denouncement of the connection between the distribution of wealth on the one hand and what people deserve on the other.

We might want to consider the question of whether poverty entails a violation of human rights. What matters is that the core of the human rights idea is to find what it takes for people to lead a worthwhile life. Thus, a person who is not free to express herself or to travel is being violated, but so is someone who does not get the chance to make a living, or who does not get the nourishment she needs, or the chance to get an education.

Diana Tietjens Meyers has discussed the plight of refugees and the problem with making a distinction between those fleeing an economically unbearable situation and a situation that is unbearable for other reasons.[20] In that respect she refers to our right to have what we need. Why do people speak with such disdain of those who are "merely" fleeing poverty and seeking a better life? Most people in various parts of the world have ancestors or other relatives, past or present, who have made a similar effort in the search for a

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better life. I myself live in one of the most affluent countries of the world, Iceland. Just over a century ago, around 20 percent of the country's population became economic refugees and emigrated to North America, mostly to Canada and the central United States. They were seeking a better life, fleeing poverty and the bonded labor system under which a great many of them were made to work. It has not been very long since what we would not hesitate to call extreme poverty was widespread in countries that are affluent today; many people of older generations remember times of great hardship. The idea that a certain group of people, or people living in a certain country or a certain part of the world, are somehow more deserving of economic goods than other groups becomes absurd in this light, as it becomes clear how much the conditions of one and the same group can change over a short period of time due to historical and circumstantial occurrences.

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Chapter Six

Women and Money

UNPAID AND OWNED BY OTHERS

In the aftermath of the financial crash in Iceland in 2008, many families experienced a decrease in their spending power. This was due to several contributing factors, such as high inflation rates with prices of various consumer products rising, considerable increase in unemployment caused by massive layoffs in large companies, and decreased activity in the building industry, to name a few. Newspapers and other media outlets began publishing advice on how to lead a more frugal lifestyle, such as recipes for how to cook things from scratch that people might have been more likely to buy already prepared; ideas for gifts to make at home, such as by sewing or knitting; and do-it-yourself tips for projects that many people might have paid someone else to do before. These tips were usually directed at the household, and it is quite clear that in a vast majority of cases, the person likely to take on most of these tasks would be a woman.

Based on recent data on gender proportions in parliament, participation of women in the labor market, and a few other factors, Iceland has come to be seen by many as a bastion of gender equality, but even so, women take on a great amount of unpaid labor, and in heterosexual partnerships, the woman is far more likely than the man to do the bulk of what has been called the "mental work" associated with the daily running of the household and keeping up with various other activities.[1] For instance, mothers are, as a rule, the party planners, those who help organize school functions, those who take their children to doctors' appointments, and those who are in charge of

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shopping for clothes for the family. It so happens that as I am finishing this book I am also organizing a party for my daughter's confirmation, a rite of passage that a vast majority of thirteen- to fourteen-year-olds in Iceland go through every spring. In a Facebook group for parents sharing tips about party supplies, catering, baking, decorations, clothing for the confirmand, where to find a photographer, and a number of other labor-intensive things, only 16 percent of the members are men.

What I have just described is the situation in a modern, affluent society. Inequality in various forms, including gender inequality, tends to be worse under conditions that are more harsh. And while we in Iceland are unfortunately far from having reached equality, we seem to have made at least some progress regarding the status of women over the years. This means that if women are performing the majority of unpaid work in Iceland in 2018, we can only try to imagine the amount of unpaid work performed by women over the centuries all over the world. This goes hand in hand with how women's relationship with money has evolved through the ages. Rather than being paid money for their work and having their own funds, women have contributed work that has not been evaluated for money; rather, their work has been appraised and used as currency, and regarded as the property of their fathers or husbands.

Women have often, by tradition, been infantilized and not trusted to handle money, and seen as the property of male family members, they could not be owners of property themselves. In various parts of the world, it has been common practice to buy a bride, so the woman would go from being owned by her father to being owned by her husband. This is reflected in various traditions, such as in many countries where the bride is expected to change her last name to the groom's family name, or where the bride moves from her parents' household to her in-laws' household, where she is then considered to belong to their family. In Icelandic, the standard word for wedding is *brúðkaup*, which literally means "buying of a bride," and refers to the old practice of paying a price for the bride.

When it comes to wedding traditions still practiced in the Western world, there is of course more to consider in this respect. The practice of the bride's father walking her down the church aisle and then leaving her in the hands of the groom clearly represents this old transferal of property. To refer to the Icelandic language again, there is a certain tradition of making a distinction between what men and women do when they marry. In the case of a woman, it is called *giftast*, which means that she "is given," and a woman who is

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married is then *gift*, or "given." In a man's case, on the other hand, it is called *kvænast*, meaning "acquiring a woman," and a man who is married is *kvæntur*, which is best translated as "in possession of a woman," although in contemporary times, people might prefer to interpret it as "committed to a woman." While many people nowadays consider this distinction outdated and prefer to use the word *giftast* for any gender (and choose to interpret it as "giving oneself" as opposed to being given by someone else), there are still many who insist on upholding this linguistic distinction in the name of tradition.

The English enlightenment philosopher Mary Wollstonecraft (1759–1797) was critical of women's role in a system in which people were either owners of property or owned as property. Lena Halldenius writes in her analysis of Wollstonecraft's critique of property:

> Wollstonecraft's writings on property easily cause a reader to focus on two things: the detrimental effects of unequal property distribution and women's economic dependence on men. Indeed, Wollstonecraft was highly critical of unequal distribution of wealth and privilege, and the consequences of inequality for virtue and moral development is an important aspect of her complaint. Property is a selfish principle, invoked by the rich under the false name of liberty in order to protect themselves against the claims of the poor. Moral development is a practical matter and virtue is an achievement, acquired through thought and useful activity. But if the rich are admired for being useless and idle, then that is what they will become. Conversely, if you need to work every waking hour to put food on the table, there will be neither time nor energy for thought.[2]

Halldenius's remarks indicate how Wollstonecraft's critique is consistent both with her moral psychology, according to which virtue and moral development are of utmost importance for any democratic citizen, and with the emphasis in her own life on women's financial independence from men. Halldenius focuses in her analysis on Wollstonecraft's novels, in particular her final work, "The Wrongs of Woman; or, Maria, A Fragment."[3] The novel shows the powerlessness of two women against the patriarchal system. One of them, Maria, is from a wealthy family, but her husband has had her locked inside an asylum after she refused to yield to his outrageous demands. The other woman, Jemima, has discovered at a young age that she was destined to be disrespected and abused, and as a result she has no respect for the system that has treated her so badly and lies, begs, and steals without scruples. The example of Maria shows how even though a woman belongs to the upper

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classes, and has the chance to lead a life of luxury, she really owns nothing and has no say over anything. She is the property of others. While Maria is owned by her husband specifically, Jemima is everyone's property.

In *A Vindication of the Rights of Woman*,[4] Wollstonecraft is highly critical of the way women are trained from an early age to be preoccupied with nice clothing, looking beautiful, and attracting the opposite sex, at the expense of other, more worthwhile things. She finds this kind of training to be an impediment to their rational development and thus to their moral development as well. Wollstonecraft's writings on this have been considered by many to be somewhat harsh and even judgmental of her own sex. The character of Jemima in "The Wrongs of Woman,"[5] who is clearly shown as having had no other choice but to learn to use her looks to her advantage in a world that is so obviously rigged against her, ought to make it clear that Wollstonecraft is not out to judge women for their choices but instead to criticize a fundamentally flawed system.

Wollstonecraft finds fault with Jean-Jacques Rousseau's inconsistency as he advocates democratic ideals for men in the public sphere but expects them to return to their homes in the evenings and rule as monarchs over their wives and daughters. Almost two centuries later, *The Sexual Contract* by Carole Pateman was published,[6] which in some respects can be considered a further development of this kind of critique. Pateman argues that traditional social contract theory is incomplete, as the social contract is only a contract for men, relying on another contract: the sexual contract.

> Men's domination over women, and the right of men to enjoy equal sexual access to women, is at issue in the making of the original pact. The social contract is a story of freedom; the sexual contract is a story of subjection. The original contract constitutes both freedom and domination. Men's freedom and women's subjection are created through the original contract—and the character of civil freedom cannot be understood without the missing half of the story that reveals how men's patriarchal right over women is established through contract. Civil freedom is not universal. Civil freedom is a masculine attribute and depends upon patriarchal right.[7]

According to Pateman, it is a fundamental factor of the patriarchal system, on which the social contract is based, that women are to be dominated by men, they are to be sexually submissive, and they are not parties to the social contract or taken seriously in the public sphere. A woman is not really considered capable of entering into a contract herself, as she is under the rule

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of a man. This is consistent with what I said about marriage traditions and traditional speech about marriage above: A woman is given or sold by one man to another, as she cannot be autonomous. Pateman discusses prostitution as an example of the commodification of women's sexual availability to men. However, the marriage contract is not fundamentally different, as Pateman sees it. The comparison between marriage and prostitution has roots in works of earlier feminists, such as Simone de Beauvoir[8] and Wollstonecraft.[9]

It is in this context that we need to consider women's relationship with money. How could those who were treated as property own property? How could those who were not granted rights to enter into legal agreements handle currency, the value of which was contingent on legal agreements? Of course we have stories of women who defied the system and gained their freedom. And perhaps women have had some level of autonomy. This is also reflected by them having been entrusted (by men!) with smaller amounts of money while men made sure to be in charge of the significant sums. We may wonder to what extent this has changed. While women have in a great many countries in the world gained full legal rights, the largest sums of money are still in the hands of men. On *Forbes*'s list of the one hundred wealthiest billionaires in the world in 2017, only ten are women.[10] Of course, the predicament of billionaires is not representative of the lives of "normal" people, but it does tell us something about the world's power structure.

HOUSEWORK, CAREGIVING, AND OTHER UNPAID WORK

While it is hardly the case that women throughout the world spend more time being idle than men, they earn much less for their work. The explanation is not only that they get paid on a lower pay scale, but also that they are more likely to perform work that is not paid at all. This is typically work surrounding the home and family, regarding basic human needs such as preparing and serving food, taking care of children and other relatives in need of caretaking, laundry, housecleaning, and various other tasks having to do with maintaining and organizing the daily lives of family members. With social and technical changes, some of this work has changed: Some of these services have become public and paid for, at least in many areas, and some of the tasks have become easier because of technological advances, but a great deal of the work remains unpaid inside the household.

Economists have talked of the need for measuring and calculating the value of this unpaid work. After all, this is clearly valuable work without

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which people could not go about their daily lives. And those who for some reason or another are unable to perform the work in question themselves and have nobody in their household available to do it for them for free will have to pay someone else to perform those tasks. How such measurements have been performed has often been criticized. Instead of focusing on the value for the household or the people involved, or on the exchange value of the work performed, the economic measurements of the value of unpaid work have often been dedicated to marketable value in financial markets of things that are relevant to the housework and household, such as electrical usage and water usage, but that are still external to the work itself, or the value of the work performed to the people involved.

One matter to consider with respect to the gender distribution of unpaid work is how a possible unconditional basic income program would be likely to affect it. Unconditional basic income has been discussed in a previous chapter, and some have argued—including Doris Schroeder, whose promotion of basic income was discussed there—that adopting an unconditional basic income program is likely to increase gender equality. According to Schroeder, such a program would encourage men to have part-time jobs outside the homes instead of full-time jobs, which in turn would give them more time to take on their fair share of the housework duties at home.[11]

Others have made claims to the contrary. For instance, Anca Gheaus has argued that a basic income program would be likely to *decrease* gender equality, or gender justice. Let us take a look at her reasoning. First, consider Gheaus's definition of gender justice:

> A society is gender just when the costs of engaging in a lifestyle characterized by gender-symmetry (both in the domestic and in the public sphere) are, for both men and women, less or equal to the costs of engaging in a lifestyle that is gender asymmetrical.[12]

Gender-symmetry means women and men doing their equal share of paid and unpaid work, contributing equally to domestic work, child care, caring for the elderly, and such. In a gender-just society, keeping this balance is at least as profitable as leading a life where things are unbalanced in this sense between men and women. Gheaus argues that if we were to adopt a basic income program, people would find it profitable to take up an unbalanced, or gender-asymmetrical, lifestyle. The reason for this is that the kind of society we live in is not a gender-just society, and people's way of thinking is tainted by that, as are tendencies toward certain kinds of behavior. If a basic income

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system were to be taken up, many women would leave the labor market and become focused on domestic work, whereas their male partners would consider themselves to have more freedom to pursue their careers outside the home without worrying at all about housework duties. Gheaus cites a study by Catherine Hakim suggesting that providing cash instead of services would be likely to polarize women's preferences; while some of them might become more career-oriented, many would give up careers outside the home altogether. The main point is that a gender-symmetrical lifestyle would no longer be seen as a cheaper option than a gender-asymmetrical lifestyle for both genders.[13]

While this might be due to personal preferences of the women in question—some might like to focus on a career and others might like to focus on their home—Gheaus points out that preferences cannot be considered in isolation from the society in which they are formed. Preferences formed in an unjust society are influenced by various beliefs and behaviors, including the behavioral tendencies of the partners of the women in question. In a society in which equal sharing of burdens were taken for granted, different preferences might be formed.

Another concern is the devaluation of care, whether it be for children, the elderly, or others needing care. Care work is considered humiliating in our current society, and that will not change automatically under our current value system, Gheaus argues. As long as this is the case, and our society is not gender-just, installing a basic income will only cause an increased number of women to take on greater caretaking duties for free because men will by virtue of their greater positions of power be able to refuse to volunteer to perform such work.

Gheaus's argument in short is this:

1. We have unjust gender norms in place.
2. If we were to take up a basic income system, people would react to that on the basis of these unjust gender norms.
3. The result of that would be even less gender justice than we have now.

Gheaus thinks that instead of a basic income system, we need more structured programs to allocate money specifically toward making conditions more inviting for gender-symmetry, that is, to make a gender-symmetrical lifestyle less costly than a gender-asymmetrical one. The main point of interest here, I think, is that there is clearly an ongoing controversy regarding the

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potential effects of a basic income system for feminist goals, considering that others have argued that adopting unconditional basic income would increase gender justice.

There are complications to be considered even when women are working for payment. Lisa Adkins and Maryanne Dever have been highly critical of the positive picture presented of the female principal breadwinner.[14] The story we are told, they say, is that this is a new phenomenon, and a comparison is made between Fordism—the post–World War II period until the 1970s or so in the United States—and post-Fordism, the period after that. The female principal breadwinner, or the woman who earns most in her family, is presented as a post-Fordist phenomenon. It used to be the case, we are told, that women were not working for money, and only performing unpaid work, or at least performing very little paid work and for very low pay so they were not the main breadwinners of their families. But now, the story has it, women's earning power has increased, and 40 percent of married women in the United States out-earn their husbands.

Adkins and Dever believe there are reasons to be wary of this picture. First, women have been performing wage labor for a long time, and they certainly were doing so during the Fordist period. Also, they claim that in this optimistic hyperbolic excitement, all kinds of problematic issues during post-Fordism are being ignored, such as sovereign debt crises, unemployment, personal debt, and increased socioeconomic inequalities, including inequalities between women. They point to worsening employment conditions, such as wage repression and workers getting worse contracts than before, leaving them without health insurance or other benefits, and little guarantee of economic survival. In short, holding a job does not seem to come with the same benefits as it used to. Thus, the fact that 40 percent of wives now out-earn their husbands does not have to entail a great improvement in women's wages. It can mean the opposite—that men's employment conditions have gotten worse. Adkins and Dever claim that working conditions have evened out for women and men not because conditions for women have improved so much but because they have become notably worse for everyone.[15]

The principal breadwinner as conceived of during Fordism requires stable working conditions, a guaranteed income sufficient for survival, and various rights and benefits. In the post-Fordist period, say Adkins and Dever, the proportion of workers receiving all this has gone down, indicating that there simply are fewer principal breadwinners now, be they men or women. Thus,

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the picture painted now of the female principal breadwinner is highly misleading.

Adkins and Dever claim that the value of wages lies not only in the value of money as the medium of exchange, but in the value of money as a tradeable asset. This has happened through the credit industry, and because of the way stagnated wages and increased demands create an increasing gap between people's wages and what they need to live. Thus, financial institutions make an enormous profit on credit debt. Adkins and Dever argue that because of these radical changes in the nature of money and wages, it is impossible to look at numbers of wage-earning women in order to make comparisons between different eras. What it means to be a wage-earning woman now during post-Fordism may mean something completely different from what it would have meant fifty years ago.[16]

WOMEN AND INEQUALITY

So far, I have said various things pertaining to the history of the financial disadvantage experienced by women. But do we have a reason to expect that this situation is about to change, or is the system set up such that we can expect continued financial gender inequality? In other words, is there something inherent in our social structure, or in the financial system, that makes it rigged in favor of men? We do have several powerful institutions declaring their full support for gender equality, their wishes to eradicate disproportional female poverty and so on. Why have measures to that effect not been successful yet?

Recently, two documents addressing world poverty have been ratified by the United Nations General Assembly: Transforming Our World: The 2030 Agenda for Sustainable Development (TOW),[17] and the Addis Ababa Action Agenda (AAAA) of the Third International Conference on Financing for Development.[18] Both documents are from 2015. The first of the two documents is meant to take over from the Millennium Development Goals (MDGs), a plan put in place during the period of 2000 to 2015. Three of the eight MDGs had a special focus on women; however, it seems fairly uncontested at this point that the plan failed to deliver on its goals when it comes to women's empowerment. The Sustainable Development Goals (SDGs) presented in 2015 are meant to be an improvement, and many hold high hopes for them. While only one of the seventeen SDGs is explicitly focused on women (Goal 5: "Achieve gender equality and empowering all women and

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girls"), women and gender are integrated in the goals throughout both documents. It seems clear that policymakers, such as the United Nations, are acknowledging the need to consider women's needs in particular, and that they are at least making some effort to follow through with that. But for some reason, that has not proven sufficient so far. As I mentioned, the success of those efforts has been called into question when it comes to the MDGs, and in the case of the SDGs, some researchers have been expressing their lack of optimism. So we may wonder what is going wrong. Are the efforts insufficient, or are they the wrong kinds of efforts?

Colleen O'Manique and Peter Fourie are quite critical of TOW and the AAAA, and claim that they end up affirming the problems instead of targeting the roots.[19] The documents seem to be based on a neoliberal ideology, they say, privileging an economy of production, such as by assuming that economic growth has to be a precondition for sustainable development, and rendering invisible the social reproduction carried out by women and girls.[20] More generally, O'Manique's and Fourie's criticism centers on a failure on behalf of those preparing the documents to perceive deep-rooted problems as structural, and assuming that the situation can be improved without a fundamental system change, which they believe is required.

Naila Kabeer[21] explains the underlying problem by bringing up the distinction between vertical and horizontal inequalities, earlier made by Frances Stewart:[22] "Vertical inequalities draw attention to class-based inequalities, while horizontal inequalities address discrimination based on marginalized social identities, such as gender, race, and caste."[23] Kabeer's concern is that the focus of developmental policies has been to address vertical inequalities while horizontal inequalities have been neglected. The situation of economically underprivileged women is characterized by the intersection of their socioeconomic status, or vertical inequality, and their gender and perhaps other forms of discrimination they face, or horizontal inequality. And for various reasons, horizontal inequality, such as gender oppression, is often magnified with poor economic status, making the situation even worse.

Microfinance or microcredit is an example of an attempt to improve the economic status of women in developing countries that has come under scrutiny for working against its declared goals. It consists in lending relatively small amounts of money to people working toward increasing their income, most often by building up a small business. They are then expected to pay back the loans once the business is making a profit. Microfinance is often targeted at women, and it is often set up on a peer-to-peer basis so that

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affluent people can contribute money to the lending venture and even choose a person elsewhere in the world whose business idea they like or with whom they sympathize. Kiva.org is a well-known example of a peer-to-peer microcredit venture, and Grameen Bank in Bangladesh is a very large source of microcredit loans and has received awards for its work.

A concern that has been raised regarding microcredit loans in Southern Asia, for example, is that while women are the official borrowers, presumably intending to use the loans to fund small domestic businesses, there is no guarantee that they are always those spending the money. There may be social mores and traditions in place pressuring them to hand the money over to male relatives, and there are indications that women borrowing money from Grameen Bank become more likely to be victims of domestic violence. These women are still responsible for paying back the loans, and repayment rates remain very high.[24] Susan Feiner and Drucilla Barker object to the whole approach of using microcredit loans as a condescending neoliberal attempt to get "the poor to work harder, get educated, have fewer children, and act more responsibly,"[25] which is meant to be the solution to poverty. The assumption, then, is that the poor are currently failing to do those things. And directing these measures at women specifically can have the effect of laying extra burdens on them, as if they needed more work than they already had. It is somewhat reminiscent of the post-financial-crash advice for Icelandic families I mentioned at the beginning of this chapter. Not that I want to compare the conditions of the average affluent Icelandic woman to a woman living in poverty in a developing country, but in both cases, the assumption seems to be that women have spare time in abundance and can keep adding to their task lists and learning new skills in order to improve conditions for their household.

According to Megan Moodie, Kiva.org is set up to attract lenders by letting them feel that they have a connection with the borrowers across the world through stories and pictures posted on their website. Lenders get the impression that they are lending money directly to the borrower and helping them out with their entrepreneurship. The way the system is really set up is that the loans go through microfinance institutions in the borrowers' home countries so that the borrower does not get the loan directly from Kiva, but from that institution. Kiva does not take responsibility for the details of the loan agreements, and most of the microfinance institutions in the home countries have interest rates of 40 percent.[26] The business venture has to be quite successful for it to be profitable to borrow money on such terms, and it is

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obviously quite a hit for the borrower if something goes unexpectedly wrong. Having been accused of being a part of "a larger picture of the macropolitics of dispossession,"[27] microfinance seems to be a plan for a solution that is designed entirely on the terms of a system that is fundamentally flawed and rigged against women.

CLIMATE CHANGE AND GENDER

The financial disadvantage of women worldwide is strongly related to various other disadvantages. One example is the lack of opportunities to improve their situation. Another disadvantage that is important to consider in connection with gendered financial inequality is how climate change is likely to affect people differently depending on their gender, as well as how their opportunities to respond to those effects may differ. In a paper on gender, climate change, and adaptation,[28] Ulrike Röhr describes how women are disproportionately affected by climate change. For instance, she mentions a gendered difference in dependence on natural or environmental resources, such as when women who are responsible for household tasks are dependent on the natural environment. Another concern is women's lack of access to other resources, such as services, education, or other resources that are relevant to what happens to them because of climate changes. When it comes to measures taken, whether it be by others or by an ability to react themselves, there may be differences as well. Decision- and policymaking is often in the hands of men, which can have the result that issues relevant to women are overlooked if they are not consulted. This can happen when it comes to measures taken in order to mitigate the effects of climate change or in order to help people adapt to inescapable effects.[29]

There is significant evidence suggesting that women are in many respects more vulnerable than men to the effects of climate change, especially among populations already vulnerable to such effects. Household tasks, feeding of the family, and care work are traditionally considered women's work, due to different gender roles in most societies. When climate change has adverse effects on food crops, women may decide to face additional burdens in order to ensure an adequate food supply for their families. Furthermore, they often work in agriculture, and problems with crops or land may cause additional burdens for workers. Climate change is also likely to result in scarcity of water for consumption and of firewood or other sources of household energy. This results in women having to spend more time in search of those neces-

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sities, traveling longer distances than before. Having to walk longer distances may carry additional risks, such as of being attacked. Finally, a scarcity of clean water and food resulting from crop problems due to climate-change effects may have adverse health effects on family members, which again places increased burdens on women taking care of those who fall sick.[30]

Another gender-related discrepancy regarding the effects of climate change concerns health matters. As women face additional burdens due to the impacts of climate change, including working longer hours and taking on additional responsibilities when it comes to caring for family members, their health may suffer proportionally. Other climate-related health issues include increased risk of malaria, due to a higher average temperature. This carries a twofold risk for pregnant women who are more likely than others to get mosquito bites, have a reduced immunity to malaria, and are more vulnerable to anemia, which may result from malaria infection. Low economic status may result in having less of a chance to seek treatment for malaria and other vector-borne diseases which increase with higher outdoor temperatures.[31]

Gender differences can also be found when it comes to vulnerability to natural disasters, which we have been seeing more of in recent years due to changes in the climate, and their frequency and severity is only predicted to keep rising. These disasters differ, and thus, the nature of their impact; the effects of a drought are obviously quite different from the effects of a hurricane, with heavy rain causing a flood. It can vary from one situation to another which aspects of a gender role are likely to make people vulnerable. On the whole, however, it has been shown that more women than men die or have their life expectancy lowered as a result of natural disasters. This effect is stronger in "greater" disasters, and is most prevalent for women of low socioeconomic status. The fact that women have on average a lower socioeconomic status than men is considered to be the main contributing factor.[32] However, other explanations have been mentioned as well for some cases. In the cyclone and flood in Bangladesh in 1991, for example, the mortality rate for women was almost five times higher than for men. In that case, social norms seemed to have an effect, such as a dress code restricting women's movement, the expectation that they stay in the home, lack of access to information, prejudice against women learning to swim, and parents favoring sons over daughters.[33]

There are, however, situations in which men's gender roles make them more vulnerable to climate-change effects. As an example, more men than women died during Hurricane Mitch which hit Central America in 1998. The

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reason may be that they were expected to perform risky or "heroic" actions.[34] The vulnerabilities men face have more to do with what we might call active risk-taking. Another climate-related vulnerability that hits men disproportionately consists in being more likely to drown in the Mediterranean while trying to reach Europe by boat from Africa. This is due to the expectation that they leave their home for Europe in order to provide for their family by sending back their earnings.[35] Even boat refugees from the Middle East coming to Europe have in disproportionate numbers been young men. On the other hand, this means that those left behind have in greater numbers been women, facing other risks and vulnerabilities instead. In other words, while men disproportionately face the risks associated with migration, women from those communities will in the same disproportion be vulnerable to the disadvantages of remaining behind in an environment suffering from whatever it is that causes the men to leave.[36]

Women are, as mentioned above, economically disadvantaged compared to men and often dependent on them when it comes to economic decisions. They are less likely to be landowners or owners of other property, less likely to be consulted by persons of authority, less likely than men to have independent means of transportation (such as a car, a motorcycle, etc.), have less access to various forms of information, and often have less education. In some cases they are even legally dependent on male family members. These factors all contribute to difficulties for women when it comes to adapting to the various effects of climate change.

Due to this, it is enormously important that women are involved in the policy- and decision-making processes relevant to adapting to climate changes. Unfortunately, traditional gender structures often leave women out of such processes. This means that decisions are made by men lacking knowledge of the implications of their decisions for women. When it comes to making important, strategic decisions, it is of utmost importance that the groups affected have representatives among the decision-makers. Of course, this does not only hold true when it comes to women, but for various other social groups, as well. Furthermore, it is not sufficient just that women be present among the decision-makers, but that gender is especially considered as a factor when decisions are made—through gender-mainstreaming.[37]

The socioeconomic disadvantage of women is a particular concern when it comes to adaptation to climate changes. Generally speaking, political decisions and various other decisions of importance tend to be made by those of economic means. This means that in spite of good intent, most of the deci-

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sions relevant to climate-change adaptation will be made by wealthy men and not by poor women, who are, after all, those most severely affected, generally speaking. The lack of economic power also means that on a more individual basis, each woman who needs to make changes in her life due to the effects of climate change is likely to encounter difficulties. Seeking solutions to these concerns must be made a priority, such as through gender analysis and gender-mainstreaming, as well as working toward a more equal distribution of financial resources.

CONCLUSION

In this chapter, I have discussed the problematic relationship women have with money. I have provided some evidence for the case that given our social system, women are just not meant to own or use money. Furthermore, being a woman and being poor is not a good combination, both because the oppression associated with each may exacerbate the other, and because of the effect of the intersection of the two (or more) modes of discrimination or oppression.

The fact that women have been treated as property or as things to be owned by men is, of course, an issue to be explained by a much larger theory for which we do not have space here. But it ought to show us what a deep-rooted structural problem we have on our hands.

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Conclusion

In the preceding chapters, I have taken readers on a journey that has gone in various directions. In the beginning, I discussed some theories of money and monetary value that have been proposed in the past. I did not offer my own theory of what money is, and the reason was that I found it important to consider some other aspects of the economic world first, as well as taking a closer look at money itself. By "economic world," I am not referring specifically to financial institutions and their inner workings, but to a much broader phenomenon of the people in the world who use money, need money, and work for money, to things that are bought and sold, and all kinds of things and interactions having to do with our economic life.

In chapter 3, I argued that money is an ontologically subjective and interactive kind. In chapter 4, I discussed how money is used as a tool to measure value, and how it is destined to be incomplete as such. Chapters 5 and 6 are then dedicated to showing some of the negative effects of money and the monetary system, and how various injustices are built into the system. It seems clear that what is most profitable, or optimal for the workings of the monetary system, is often something involving horrendous injustices and human rights violations. Having added these findings, it is now time to consider the question of what money is.

There are certain things to be said for a collective acceptance theory of money, such as those endorsed by Searle and Hindriks.[1] For example, the use of money and the acknowledgment of monetary value require that people in the given society generally accept the currency in question. This is implied with my claim that money is a subjective kind; a given type of thing is not

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valid as money and has no monetary value unless there are thinking subjects holding the relevant attitude toward it, that is, accepting it as such.

However, there is more to be said on this topic. Various aspects of money seem to escape our collective acceptance. We might start with the unequal power relations that come with financial inequality, as well as with the fact that being wealthy seems to yield enormous social influence. There are further facts about inequality—such as how monetary wealth is accumulated by a few while many others live in poverty—that seem unlikely to be a matter of collective acceptance. The role that oppression of particular groups of people has played in the history of money, and still does in the current economic system—such as abuses of those in debt, the use of women as pawns or currency, the exploitation of workers laboring in inhumane conditions, and the use of slave labor—certainly gives one pause when it comes to the notion of collective acceptance. It is rarely the case that the people who have been oppressed, exploited, violated, and abused have had any part in a collective acceptance of what was going on.

This may seem as if I am muddying the waters. Collective acceptance theories are, after all, meant to be about the acceptance of the validity of money as a currency and not all of those other things. But what I hope to have conveyed by covering various money-related issues in the preceding chapters is that the question of what money is cannot be properly answered without making a connection to those issues. Money is part of an intricate system, not only in terms of the aspects I have just mentioned, but also when it comes to the system people are more prone to think of when the financial system is mentioned. It may be quite easy to picture a group of people collectively agreeing to accept a certain type of metal or paper notes as currency, but this is not all there is to money. There may have been a time and place where money was just cowry shells, or little pieces of gold—at least in the sense that the people involved had every reason to think that all their collective agreement would involve would be the acceptance of cowry shells or pieces of gold as payment for goods and services. But the money we use now is built on a system where it is thoroughly intertwined with derivatives, stocks, and debt in a way that most laypeople do not even try to understand, and where concerns about its distribution, power relations associated with inequality, and various effects of the system, social mores concerning its use, psychological attitudes, and so on are highly relevant. And of course this kind of money is not always a particular type of material object;

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very often an electronic format is used, even though we still use notes and coins to some extent, usually for smaller purchases.

Picturing a group of people agreeing to the contemporary monetary system with all its intricacies seems much more far-fetched than people agreeing to use cowry shells as currency. Mostly, we may feel that we have no other choice than to accept money no matter its format. It is accepted in the same sense as any other social kind or institution can be considered "collectively accepted," as long as people do not revolt against it and abandon it. Although we have some social institutions that many people disagree with and try revolting against, we find that such institutions can be very resilient, especially if they serve the interests of those who have most power.

The patriarchy is a good example. As a member of a group subordinated in that system, I am hardly willing to declare myself a party to a collective acceptance of its perpetuation. But while I try my best to revolt against it and to support others doing the same, I often find myself in situations in which I have no choice but to go along with its rules (official or unofficial). Something similar could be said about the use of money: Someone who strongly dislikes the monetary system and sincerely wishes that money would be abandoned will still use money because it is the only viable option given current circumstances, as money seems necessary for getting food on the table and a roof over one's head. That is not really acceptance; it is similar to pointing a gun at someone in order to get them to say yes. The fact that a given currency has to be accepted by authorities, vendors, and other relevant parties in trade in order to be considered valid as money should not be confused with a general acceptance of the complex phenomenon of money.

This means that I have yet to answer the question "What is money?" It seems to me that many of the things that are generally said about money can still be said, such as that it is a means of exchange, and that the kind of value that functions most prominently in money is its exchange value. And even though I said in the first chapter that the history of the origin of money could not provide us with a definition of what money is, I believe that a certain awareness of the history of money can give us a hint about what it is: It shows us that money and its associated system can change a great deal over time—at least many aspects of it. This means that while we might wish to hold on to a certain core definition of its function, such as its being something that carries value and is meant to be traded for something else, there are other things that have changed enormously through the ages, such as what exemplifies it, and how it is connected to other things.

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Thus, I can give an answer to the question that sounds like an encyclopedia entry: Money as we know it today is currency used both in small exchanges and large trade deals. In its most used form, it is sanctioned by a legislative authority such as a government. However, there are other currencies in use, such as local currencies used in various municipalities, and cryptocurrencies that can be considered money as well, even though they are not authorized by a legislative entity, as they are used and accepted by people as a currency. Money is a part of a very intricate system, belonging to the so-called financial sector, in which it is built on so-called derivatives that again are based on various other things that nobody outside of the financial sector tries to understand. It is also built on stocks and debt that are somewhat more manageable for an average person's understanding.

Money is also implicated in a very complex worldwide social system, parts of which are very unjust. As a social kind, money has a somewhat ambiguous ontological status. The ambiguity consists in it not being entirely clear whether it should be considered subjective or objective. While it can be considered subjective, in the sense that it requires a certain accepting attitude of a subject in order to be what it is, and because monetary value is subjective in the same sense, it seems to carry some objective elements as well, as its validity is not entirely dependent on subjective attitudes in every way. This ambiguous ontological status only concerns the matter of its subjectivity versus its objectivity. Its enormously powerful effects on people's lives all over the world ought to be more than sufficient to show that it is very real.

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Notes

1. WHAT IS MONEY?

1. Carl Menger, “On the Origin of Money” (English translation by Caroline A. Foley), *Economic Journal*, vol. 2 (1892): 239–55.
2. Exchange value will be discussed in more detail in chapter 2.
3. David Graeber, *Debt: The First 5,000 Years*, updated and expanded edition (Brooklyn, NY: Melville House, 2014).
4. John R. Searle, *Making the Social World: The Structure of Human Civilization* (Oxford; New York: Oxford University Press, 2010); John R. Searle, *The Construction of Social Reality* (New York: Free Press, 1997).
5. John R. Searle, “What Is an Institution?,” *Journal of Institutional Economics* 1, no. 1 (June 2005): 21–22.
6. Searle, “What Is an Institution?”: 16.
7. Eric Frank Russell, *The Great Explosion* (New York: Torquil, 1962).
8. Frank A. Hindriks, “Acceptance-Dependence: A Social Kind of Response-Dependence,” *Pacific Philosophical Quarterly* 87, no. 4 (December 2006): 481–98.
9. Menger, “On the Origin of Money”: 239–55.
10. Emma Tieffenbach, “Searle and Menger on Money,” *Philosophy of the Social Sciences* 40, no. 2 (June 2010): 191–212.
11. J. P. Smit, Filip Buekens, and Stan du Plessis, “What Is Money? An Alternative to Searle’s Institutional Facts,” *Economics and Philosophy* 27, no. 1 (March 2011): 1–22.
12. Smit, Buekens, and du Plessis, “What Is Money?,” 5–6.
13. Smit, Buekens, and du Plessis, “What Is Money?,” 7–11.
14. Smit, Buekens, and du Plessis, “What Is Money?,” 11–14.
15. Stephen E. G. Lea and Paul Webley, “Money as Tool, Money as Drug: The Biological Psychology of a Strong Incentive,” *The Behavioral and Brain Sciences* 29, no. 2 (April 2006): 161–76; Discussion: 176–209.
16. Lea and Webley, “Money as Tool, Money as Drug,” 164–65.
17. Lea and Webley, “Money as Tool, Money as Drug,” 164–65.
18. Lea and Webley, “Money as Tool, Money as Drug,” 169.

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19. David A. Booth, "Money as Tool, Money as Resource: The Biology of Collecting Items for Their Own Sake," *Behavioral and Brain Sciences* 29, no. 2 (April 2006).

20. Lea and Webley, "Money as Tool, Money as Drug," 170–72.

2. ON MONETARY VALUE

1. R. A. Radford, "The Economic Organisation of a P.O.W. Camp," *Economica* 12, no. 48 (1945): 189–201.

2. Aristotle, *Politics*, transl. B. Jowett, ed. J. Barnes, *The Complete Works of Aristotle*, vol. II (Princeton, NJ: Princeton University Press, 1984): 1986–2129.

3. This description is derived from Scott Meikle, "Aristotle on Money," *Phronesis* 39, no. 1 (1994): 26–44.

4. Adrian Walsh and Tony Lynch, *The Morality of Money: An Exploration in Analytic Philosophy* (New York: Palgrave Macmillan, 2015), 91–118.

5. Joyce Oldham Appleby, "Locke, Liberalism and the Natural Law of Money," *Past & Present*, no. 71 (1976): 43–69; Daniel Carey, "Locke's Species: Money and Philosophy in the 1690s," *Annals of Science* 70, no. 3 (July 2013): 357–80.

6. For trade of food and other small and cheap things, silver coins were mostly too valuable, and tokens made of cheap metals or even wood were used instead. Deborah M. Valenze, *The Social Life of Money in the English Past* (New York: Cambridge University Press, 2006): 35–38.

7. Appleby, "Locke, Liberalism and the Natural Law of Money"; Carey, "Locke's Species"; Valenze, *The Social Life of Money in the English Past*.

8. John Locke, *Some Considerations of the Consequences of the Lowering of Interest and the Raising the Value of Money* (London, 1691); John Locke, *Further Considerations concerning Raising the Value of Money Wherein Mr. Lowndes's Arguments for It in His Late Report Concerning an Essay for the Amendment of the Silver Coins, Are Particularly Examined* (London: Awnsham and John Churchill, 1695).

9. Locke, *Further Considerations*.

10. John Houghton, *A Collection of Letters for the Improvement of Husbandry and Trade* (London, 1681), 24–27.

11. Georg Simmel, *The Philosophy of Money*, 3rd enl. ed., ed. and transl. David Frisby (London; New York: Routledge, 2004).

12. Simmel, *Philosophy of Money*, 213.

13. Stephen E. G. Lea and Paul Webley, "Money as Tool, Money as Drug: The Biological Psychology of a Strong Incentive," *The Behavioral and Brain Sciences* 29, no. 2 (April 2006): 161–76; Discussion 176–209.

14. Tim Kasser and Kennon M. Sheldon, "Time Affluence as a Path toward Personal Happiness and Ethical Business Practice: Empirical Evidence from Four Studies," *Journal of Business Ethics* 84, no. S2 (January 2009): 243–55.

15. Danielle M. Lasusa, "Eiffel Tower Key Chains and Other Pieces of Reality: The Philosophy of Souvenirs," *The Philosophical Forum* 38, no. 3 (September 2007): 271–87.

16. Rutger Claassen, "The Status Struggle: A Recognition-Based Interpretation of the Positional Economy," *Philosophy & Social Criticism* 34, no. 9 (November 2008): 1021–49.

17. Chimamanda Ngozi Adichie, *Americanah* (London: Fourth Estate, 2013): 27.

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3. IS IT REAL?

1. Lorraine Daston, "Objectivity and the Escape from Perspective," *Social Studies of Science* 22, no. 4 (November 1, 1992): 597–618.

2. Muhammad Ali Khalidi, *Natural Categories and Human Kinds: Classification in the Natural and Social Sciences* (Cambridge: Cambridge University Press, 2013): 142–57.

3. Manuel García-Carpintero, "A Non-Modal Conception of Secondary Properties," *Philosophical Papers* 36, no. 1 (March 1, 2007): 1–33.

4. C. Naomi Osorio-Kupferblum, "Conceptualising 'Authority,'" *International Journal of Philosophical Studies* 23, no. 2 (March 15, 2015): 223–36.

5. Christopher Peacocke, "Sensational Properties: Theses to Accept and Theses to Reject," *Revue Internationale de Philosophie* 62 (2008): 7.

6. Brian P. McLaughlin, "Color, Consciousness, and Color Consciousness," in *Consciousness: New Philosophical Perspectives*, ed. Quentin Smith and Aleksandar Jokic (Oxford: Oxford University Press, 2003): 144.

7. Crispin Wright, *Truth and Objectivity* (Cambridge, MA: Harvard University Press, 1992): 79–80.

8. Examples include Frank Jackson and Robert Pargetter, "An Objectivist's Guide to Subjectivism About Color," *Revue Internationale de Philosophie* 41, no. 1 (1987): 127–41; John Campbell, "A Simple View of Colour," in *Reality: Representation and Projection*, ed. John J. Haldane and C. Wright (Oxford: Oxford University Press, 1993): 257–68; and Mark Leon, "Colour Wars: Dividing the Spoils," *Philosophy* 77, no. 300 (2002): 175–92.

9. This claim of mine contradicts some claims made by Ásta, "Essentiality Conferred," *Philosophical Studies* 140, no. 1 (2008): 135–48; see page 143 about what she calls "conferred properties." I am not entirely certain whether this constitutes a genuine disagreement or whether it can be explained by Ásta's conferred properties differing in various ways from my subjectively instantiated properties.

10. Roderick Firth, "Ethical Absolutism and the Ideal Observer," *Philosophy and Phenomenological Research* 12, no. 3 (1952): 317–45.

11. Firth, "Ethical Absolutism and the Ideal Observer," 318–25.

12. Russ Shafer-Landau, "Ethical Disagreement, Ethical Objectivism and Moral Indeterminacy," *Philosophy and Phenomenological Research* 54, no. 2 (1994): 331–44.

13. Shafer-Landau does classify Firth's account as what he calls objectivist, but that is only as an alternative to non-cognitivism. His use of the term *objectivist* seems quite different from the notion of ontological objectivism I have in mind, which is closer to what Shafer-Landau calls *realism*.

14. Shafer-Landau, "Ethical Disagreement, Ethical Objectivism," 335.

15. Charles Taliaferro, "Relativising the Ideal Observer Theory," *Philosophy and Phenomenological Research* 49, no. 1 (1988): 123–38.

16. Firth, "Ethical Absolutism and the Ideal Observer," 322–23.

17. David Enoch, "Why Idealize?," *Ethics* 115, no. 4 (2005): 764.

18. Michael Glanzberg, "Context, Content, and Relativism," *Philosophical Studies* 136, no. 1 (2007): 1–29.

19. Iris Einheuser, "Three Forms of Truth-Relativism," in *Relative Truth*, ed. Manuel García-Carpintero and Max Kölbel (Oxford: Oxford University Press, 2008), 187–203.

20. Berit Brogaard, "A Semantic Framework for Aesthetic Expressions," in *The Semantics of Aesthetic Judgments*, ed. James O. Young (Oxford: Oxford University Press, 2017).

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21. We will assume here that there is nothing out of the ordinary about those two occasions. On neither of them is Jack afflicted with a cold, pine mouth syndrome, or anything else that may temporarily alter his sense of taste. We might disqualify such occasions as not eligible for evaluating tastiness.

22. Amazingly little has been written on the notion of *simpliciter*, and it tends to get used without further explanation of what is meant. The most thoughtful account that I have encountered is in Kristie Miller and David Braddon-Mitchell, "There Is No Simpliciter Simpliciter," *Philosophical Studies* 136, no. 2 (2006): 249–78. Another interesting discussion of the notion, albeit in a somewhat different context, can be found in Catarina Dutilh Novaes and Stephen Read, "Insolubilia and the Fallacy Secundum Quid Et Simpliciter," *Vivarium* 46, no. 2 (2008): 175–191.

23. Rae Langton and David Lewis, "Defining 'Intrinsic,' " *Philosophy and Phenomenological Research* 58, no. 2 (1998): 333–45; Bradford Skow, "Are Shapes Intrinsic?," *Philosophical Studies* 133, no. 1 (2007): 111–30; Brian Weatherson and Dan Marshall, "Intrinsic vs. Extrinsic Properties," in *The Stanford Encyclopedia of Philosophy* (Fall 2014 Edition), ed. Edward N. Zalta, 2012.

24. I am assuming constancy here in the flavor of strawberries, which could, of course, change as well. To be more exact, I should say that an α-type taster is by definition someone who appreciates the flavor associated with strawberries as they typically are now.

25. It seems possible to come up with any number of properties that things possess under these conditions. That is, if we allow for properties by virtue of an object's potential to prompt hypothetical reactions in non-existing creatures prone to reacting to things in far-fetched ways, the possibilities are endless. This may be yet another reason to hesitate to think of hypothetical reactions as responsible for actual instantiations of properties.

26. One such example can be found in Theodore Sider, *Writing the Book of the World* (Oxford: Oxford University Press, 2011).

27. Sally Haslanger, *Resisting Reality: Social Construction and Social Critique* (New York: Oxford University Press, 2012); Esa Diaz-Leon, "What Is Social Construction?," *European Journal of Philosophy* 23, no. 4 (2015): 1137–52.

28. John R. Searle, *The Construction of Social Reality* (New York: Free Press, 1995).

29. Khalidi, *Natural Categories and Human Kinds*, 150, 220–27.

30. Ian Hacking, *The Social Construction of What?* (Cambridge, MA: Harvard University Press, 1999).

31. Sally Haslanger, "Ontology and Social Construction," *Philosophical Topics* 23, no. 2 (1995): 95–125.

32. Khalidi, *Natural Categories and Human Kinds*, 147–49.

33. Searle, *The Construction of Social Reality*; Khalidi, *Natural Categories and Human Kinds*.

4. MONEY AS A MEASURING DEVICE

1. Paul Goodman, "The Moral Idea of Money," *Journal of Philosophy* 32, no. 5 (1935): 126–31.

2. Paul Goodman, "The Moral Idea of Money," 127.

3. "Ithaca Hours." http://www.ithacahours.com/.

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4. This is based on the average wage in the country. The use of “hours” as local currency seems to be somewhat widespread in the United States. There are also “Baltimore Hours,” “Boise Hours,” “Houston Hours,” and “Madison Hours,” in those respective places, to name a few.

5. Lisa Adkins and Maryanne Dever, “Housework, Wages and Money: The Category of the Female Principal Breadwinner in Financial Capitalism,” *Australian Feminist Studies* 29, no. 79 (January 2, 2014): 50–66; S. Federici, “From Commoning to Debt: Financialization, Microcredit, and the Changing Architecture of Capital Accumulation,” *South Atlantic Quarterly* 113, no. 2 (April 1, 2014): 231–44.

6. Deborah M. Valenze, *The Social Life of Money in the English Past* (New York: Cambridge University Press, 2006): 183–89.

7. David Graeber, *Debt: The First 5,000 Years*, updated and expanded edition (Brooklyn, NY: Melville House, 2014): 159.

8. Examples claiming good results include Johannes Haushofer and Jeremy Shapiro, “Household Response to Income Changes: Evidence from an Unconditional Cash Transfer Program in Kenya,” unpublished, https://www.princeton.edu/~joha/publications/Haushofer_Shapiro_UCT_2013.pdf; Peter Chaudhry, “Unconditional Cash Transfers to the Very Poor in Central Viet Nam: Is It Enough to ‘Just Give Them the Cash’?,” *What Works for the Poorest?: Poverty Reduction Programmes for the World’s Extreme Poor* (Rugby, Warwickshire: Practical Action Pub, 2010): 169–78; Jorge Agüero, Michael Carter, and Ingrid Woolard, “The Impact of Unconditional Cash Transfers on Nutrition: The South African Child Support Grant,” International Poverty Centre, working paper no. 39, September 2007, http://www.ipc-undp.org/pub/IPCWorkingPaper39.pdf; L. Robertson et al., “Effects of Unconditional and Conditional Cash Transfers on Child Health and Development in Zimbabwe: A Cluster-Randomised Trial,” *LANCET* 381, no. 9874 (April 13, 2013): 1283–92. Results were found to be inconclusive regarding whether it was better to use conditional or unconditional payments.

9. Karl Widerquist, “Nobel Laureate Joseph Stiglitz Endorses Unconditional Basic Income,” *Basic Income News* 30 (September 2015), http://www.basicincome.org/news/2015/09/united-states-nobel-laureate-joseph-stiglitz-endorses-unconditional-basic-income/.

10. Doris Schroeder, “Wickedness, Idleness and Basic Income,” *Res Publica* 7, no. 1 (January 1, 2001): 1–12.

11. Kyle Knight, Eugene A. Rosa, and Juliet B. Schor, “Could Working Less Reduce Pressures on the Environment? A Cross-National Panel Analysis of OECD Countries, 1970–2007,” *Global Environmental Change* 23 (August 1, 2013): 691–700.

12. Bertrand Russell, *In Praise of Idleness: And Other Essays*, 2nd ed. (London; New York: Routledge, [1935] 2004).

13. Bertrand Russell, *The Conquest of Happiness* (London: Horace Liveright, Inc., 1930); Bertrand Russell, *Education and the Good Life* (New York: Boni & Liveright, 1926).

14. Anca Gheaus and Lisa Herzog, “The Goods of Work (Other Than Money!),” *Journal of Social Philosophy* 47, no. 1 (March 2016): 70–89.

15. For another interesting and important account of work and power relations, consider Elizabeth Anderson, *Private Government: How Employers Rule Our Lives (and Why We Don`t Talk about It)*, The University Center for Human Values Series (Princeton, NJ: Princeton University Press, 2017).

16. Immanuel Kant, *Groundwork of the Metaphysics of Morals* (Cambridge: Cambridge University Press, 1998). AK 4:434.

17. Gary S. Becker, *The Economic Approach to Human Behavior* (Chicago, IL: University of Chicago Press, 1976).

18. Becker, *The Economic Approach to Human Behavior*, 10.

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19. Michael Sandel, *What Money Can't Buy: The Moral Limits of Markets* (New York: Penguin, 2013).

20. "Energy Statistics in Iceland, 2015," National Energy Authority, 2016, http://os.is/gogn/os-onnur-rit/Orkutolur_2015-enska-utfaersla2.pdf.

21. Hörður Kristjánsson, "79% raforku á Íslandi sögð framleidd með kjarnorku og jarðefnaeldsneyti," *Bændablaðið*, July 6, 2017, http://www.bbl.is/frettir/frettir/79-raforku-a-islandi-sogd-framleidd-med-kjarnorku-og-jardefnaeldsneyti/16962/ (accessed November 16, 2017).

22. "Guarantees of Origin," National Power Company of Iceland, https://www.landsvirkjun.com/productsservices/guarantees-of-origin (accessed February 11, 2018).

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24. Þorsteinn Ásgrímsson, "Ísland hættir að vera grænt," *Morgunblaðið*, May 7, 2014, http://www.mbl.is/vidskipti/frettir/2014/05/07/island_haettir_ad_vera_graent/ (accessed November 16, 2017).

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2. H. P. P. Lötter, *Poverty, Ethics and Justice*, Political Philosophy Now (Cardiff: University of Wales Press, 2011).

3. Lötter, *Poverty, Ethics and Justice*, 35.

4. Claudia Card, "Surviving Poverty," in *Poverty, Agency, and Human Rights*, ed. Diana Tietjens Meyers (Oxford: Oxford University Press, 2014): 20–42.

5. Ayse Kaya and Andrej Keba, "Why Global Inequality Matters: Derivative Global Egalitarianism," *Journal of International Political Theory* 7, no. 2 (October 2011): 140–64.

6. Dorothy M. Emmet, "Justice and Equality," *Philosophy* 14, no. 53 (1939): 46.

7. Adam Smith, *An Inquiry Into the Nature and Causes of the Wealth of Nations* (London: W. Strahan, and T. Cadell, in the Strand, 1776): 483.

8. Elaine Chase and Grace Bantebya-Kyomuhendo (eds.), *Poverty and Shame: Global Experiences* (Oxford: Oxford University Press, 2014); Erika Gubrium, Sony Pellissery, and Ivar Lødemel (eds.), *The Shame of It: Global Perspectives on Anti-Poverty Policies* (Bristol, England: Policy Press, 2013).

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of Relative Income on Life Satisfaction," *Journal of Personality and Social Psychology* 110, no. 2 (2016): 332.

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11. Marilyn Frye, *The Politics of Reality: Essays in Feminist Theory* (Trumansburg, NY: The Crossing Press, 1983); Ann E. Cudd, *Analyzing Oppression* (Oxford: Oxford University Press, 2006).

12. For a modern-day account of how inequality is perpetuated through the oppression of the poor in the United States, see Virginia Eubanks, *Automating Inequality: How High-Tech Tools Profile, Police and Punish the Poor* (New York: St. Martin's Press, 2018).

13. Mary Wollstonecraft, *A Vindication of the Rights of Woman* and *A Vindication of The Rights of Men*, ed. Janet Todd (Oxford: Oxford University Press, 1993).

14. "Findings: Global Slavery Index 2016," Global Slavery Index, https://www.globalslaveryindex.org/findings/ (accessed February 28, 2018).

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Index

acceptance-dependence, 17
Addis Ababa Action Agenda (AAAA), 123, 124
Adichie, Chimamanda Ngozi, 43
Adkins, Lisa, 122, 123
Africa, 107, 127
America, 107, 113, 127
American dream, 109
anemia, 127
anti-realism, 56
anti-Semitism, 36
Aristotle, 28, 29, 30, 31, 35, 40
Asia, 125

Bangladesh, 124, 127
bankruptcy, 106
Barbon, Nicholas, 34
Barker, Drucilla, 125
barter, 13, 18, 20, 36, 37, 75, 76
Beauvoir, Simone de, 118
Becker, Gary, 89
Beethoven, Ludwig van, 65
begging, 117
betting, 83
bonded labor, 81, 113
Booth, David, 24
bribe, 90, 91
Buekens, Filip, 19, 20

Canada, 113
Caribbean, 107
Cary, John, 34
caste, 124
charity, 102
chartalism, 13. *See also* state theory
chrematistike: natural, 29; unnatural, 29, 30
classism, 107, 110, 124
climate change, 126, 127, 128
Code of Hammurabi, Babylonian law, 106
coins, 9, 10, 23, 24, 27, 30, 32, 33, 34, 36, 46, 132
collapse, 1, 2
collective acceptance, 11, 14, 15, 16, 17, 18, 19, 20, 25, 40, 41, 131, 132, 133
collective intentionality, 15, 19, 20
colonialism, 107
commodification, 88, 89, 92, 93, 94, 118
commodity money, 12
commodity theory, 10, 11, 12, 13, 40
compensation, 82, 83, 88
constructivism, 56
contextualism, 59
counterfeit money, 12, 46, 47
crash, 2, 115, 125
credit theory, 13, 40
crisis, 32, 36, 83, 122
currency, 9, 17, 19, 20, 28, 32, 33, 34, 36, 38, 39, 40, 45, 46, 68, 70, 77, 78, 79, 80, 81, 97, 116, 119, 131, 132, 133, 134; cryptocurrencies, 134; electronic, 39, 47, 70, 132

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debt, 2, 13, 40, 81, 82, 104, 105, 106, 108, 122, 123, 124, 125, 132, 134
deflation, 79
dehumanization, 81
democracy, 32, 42, 117, 118
deontic powers, 15, 16, 19
derivatives, 45, 83, 132, 134
desire, 38, 40, 45, 83
developing countries, 124, 125
Dever, Maryanne, 122, 123
disaster, 83, 127
dispositionalism, 55
donations, 83, 104
drug theory, 22, 23, 24, 25

economic growth, 86, 100, 124
egalitarianism, 59, 60, 61, 62, 70, 98
elitism, 59, 60, 61, 110
Emmet, Dorothy, 100, 101
empiricism, 32, 55, 113
energy, 93, 94
England, 32, 102
Enlightenment movement, 32, 117
Enoch, David, 57, 58
environmental certificates, 93, 94
epistemic injustice, 110
epistemic oppression, 110
epistemic violence, 110
epistemology, 48, 50, 56, 66, 69
equality, 97, 100, 101, 108, 115, 116, 120, 121, 123
ethics, 2, 55, 56, 57, 58
Europe, 32, 81, 84, 94, 102, 107, 127
European Council, 93
Euthyphro, 50
Euthyphro contrast, 51, 58
Euthyphronic properties, 50, 51, 52, 53, 54, 57, 58, 61, 62, 63, 64, 70
exchange value, 22, 27, 28, 30, 34, 35, 39, 40, 41, 76, 77, 119, 133
exploitation, 31, 81, 93, 104, 132

fake money, 13, 46, 47
famine, 2, 83
Feiner, Susan, 125
feminism, 118, 121
fiat money, 11
fines, 81, 92
Firth, Roderick, 55, 56, 57, 58
Fordism, 122
Fourie, Peter, 124
France, 32, 102
Frankfurt, Harry, 98
friendship, 24, 25, 36, 47, 112

Gandhi, Mahatma, 86
García-Carpintero, Manuel, 49
Gemeinschaft, 37
gender equality, 115, 116, 120, 121, 123, 124, 126, 127, 128
gender proportions, 115, 120
gender-symmetry, 120, 121
Gesellschaft, 37
Gheaus, Anca, 120, 121
gift, 24, 25, 37, 41, 83
gold, 12, 32, 34, 35, 46, 75, 79, 132
gold standard, 11
Goodman, Paul, 75, 76, 101
Graeber, David, 13, 82
Grágás, medieval Icelandic law, 81, 106
Grameen Bank, 124, 125
grants, 102, 104
greed, 47

Hacking, Ian, 67, 68
Hakim, Catherine, 120
Halldenius, Lena, 117
Haslanger, Sally, 67
hermeneutical injustice, 110
Hindriks, Frank, 17, 25, 40, 41, 131
hoarding theory, 24
Hodges, James, 34
horizontal inequalities, 124
Houghton, John, 34
hours, 67, 80, 82, 86, 87, 107, 127
human flourishing perspective, 87
human kind, 67, 69
human life, 81, 82, 94, 101, 104, 106, 113, 134
human rights, 113, 131, 132
human trafficking, 104, 107
human welfare, 86
Hurricane Mitch, 127

Iceland, 1, 93, 94, 113, 115, 116, 125
Icelandic Central Bank (Seðlabanki Íslands), 12
idealized subjects, 55, 57, 58

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ideal observer, 56, 57, 58
idleness, 85, 86, 87, 88, 117, 119
income, 82, 84, 85, 89, 97, 102, 122, 124
indexical relativism, 59, 60, 61, 62, 63
individualism, 37
inegalitarianism, 98, 111, 113
inequality, 97, 98, 99, 100, 101, 102, 103, 104, 107, 110, 113, 116, 117, 122, 123, 124, 126, 132
infantilization, 116
inflation, 23, 33, 34, 47, 79, 115
insurance, 82
interactive kind, 67, 69, 70, 131
interest, 82, 83
interest rate, 82
Ithaca, New York, 80; Ithaca Hour, 80

Jesus Christ, 8
justice, 47, 101, 107, 108, 109, 110, 111, 112, 120, 121, 131, 134

Kabeer, Naila, 124
Kant, Immanuel, 89
Khalidi, Muhammad Ali, 49, 66, 67, 68, 69
Kiva.org, 124, 125
Knapp, Georg Friedrich, 11

labor, 68, 79, 80, 81, 87, 104, 106, 107, 113, 115, 120, 122, 132
labor theory of value, 80, 85
law, 81, 106, 119, 128
layoffs, 115
Lea, Stephen, 22, 23, 24, 25
legal tender, 13, 46
liberalism, 32
Lindgren, Torgny, 104, 106
Locke, John, 32, 33, 34, 35, 36, 40
loan, 2, 124, 125
logic, 56
looping effect, 67, 68
Lötter, Hennie, 99, 102
lottery, 83
love, 24, 25, 38, 47
Lowndes, William, 33

malaria, 127
manipulation, 90, 91
marginalism, 18
marginalization, 110, 124
market, 45, 68, 79, 83, 115, 119, 120
Marx, Karl, 27, 30, 35, 80
Marxian economics, 27
McLaughlin, Brian, 49, 50
Mediterranean, 127
Menger, Carl, 10, 18, 19, 20
meritocracy, 107, 108, 109, 110, 111, 112, 113
metallism, 13. *See also* commodity theory
metaphysics, 2, 25, 56, 59, 60, 62
Meyers, Diana Tietjens, 113
microcredit, 124, 125
microfinance, 124, 125
Middle East, 127
migration, 127
Millennium Development Goals (MDGs), 123
mind-dependence, 49, 55, 66, 69
Mitchell-Innes, Alfred, 13
monarchism, 60, 61, 118
money illusion, 23
Moodie, Megan, 125
morality, 65, 91, 117, 118
moral subjectivism, 55

natural chrematistike, 29
neoliberalism, 124, 125
nobility, 81
North Carolina, 90

objectively instantiated properties, 65, 66
objectivism, 55, 56, 57, 58, 60, 66, 69
obolostatike, 29
observer-independence, 58
OECD, 86
O'Manique, Colleen, 124
ontology, 47, 48, 49, 50, 52, 53, 54, 55, 56, 58, 66, 67, 69, 70, 131, 134
oppression, 124, 129, 132
Osorio-Kupferblum, Naomi, 49
overconsumption, 86, 87
overproduction, 86, 87

paper money, 9, 10, 12, 27, 30, 46, 47, 66, 69, 70, 132
Pateman, Carole, 118
patriarchy, 117, 118, 119, 133
Peacock, Christopher, 49
piety, 50, 51

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Plato, 13, 50, 51
Plessis, Stan du, 19, 20
pollution quotas, 93
post-Fordism, 122, 123
poverty, 2, 45, 78, 79, 81, 83, 88, 93, 97, 98, 99, 100, 101, 102, 103, 104, 105, 109, 111, 113, 117, 123, 125, 127, 128, 129, 132
power, 11, 36, 41, 68, 91, 102, 104, 105, 106, 110, 117, 119, 121, 132, 133
prejudice, 110, 127
price, 78, 80, 89, 94, 115, 116
privilege, 89, 110, 117, 124
Project Prevention, 90
property rights, 32, 35, 116, 117, 119
prostitution, 118

race, 124
racism, 81, 107
Radford, R. A., 28
realism, 58
reality, 45, 46, 47, 48, 70, 71, 134
refugees, 113, 127
relationalism, 55
response-dependence, 51, 52
Ricardo, David, 80
rights, 107, 108, 118, 119, 122
Röhr, Ulrike, 126
Rousseau, Jean-Jacques, 118
Royal Mint, 32
Russell, Bertrand, 87
Russell, Eric Frank, 17

Sandel, Michael, 89, 90, 92
scarcity, 38, 126
Schafer-Landau, Russ, 56, 57
Schroeder, Doris, 85, 86, 87, 88, 120
Scotland, 102
Searle, John R., 14, 15, 16, 17, 18, 19, 20, 25, 40, 41, 66, 69, 131
semantics, 59
sex, 24, 25, 92, 104, 105, 107, 118
sexual contract, 118
silver, 32, 33, 34, 35, 36, 81, 106
Simmel, Georg, 36, 37, 38, 39, 40, 41, 75
slavery, 81, 82, 104, 105, 106, 107, 108, 132
Smit, J. P., 19, 20
Smith, Adam, 80, 102, 103
social construction, 45, 66
social contract theory, 118
socialism, 84
social kind, 45, 66, 67, 71, 133, 134
social object, 45
Socrates, 50, 51, 54
South Africa, 99
speaker-relativism, 59, 60, 62, 63
speech act, 16
starvation, 41
state theory, 10, 11, 12, 13, 14, 40
status anxiety, 103
status function, 15, 16, 17, 19
stealing, 37, 47, 117
Stewart, Frances, 124
Stiglitz, Joseph, 84
stock, 132, 134
stock market, 68
subjective kinds, 66, 67, 69, 70, 71, 131, 134
subjective properties, 48, 49, 50, 51, 52, 53, 54, 55, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 70
subjectivism, 56, 57, 58, 59, 61, 66
subject-relativism, 62
surplus value, 39, 40
surrogate motherhood, 92
sustainable development, 124
Sustainable Development Goals (SDGs), 123
Sweden, 104

taboos, 24, 25
Taliaferro, Charles, 56
taxes, 12, 13, 40, 68, 102
teleology, 28
Temple, Richard, 34
testimonial injustice, 110
theft, 37. *See also* stealing
Tieffenbach, Emma, 19
time, 38, 57, 58, 61, 79, 80, 82
token, 13, 53
Tönnies, Ferdinand, 37
tool theory, 22, 23
Transforming Our World: The 2030 Agenda for Sustainable Development (TOW), 123, 124

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unconditional basic income, 84, 85, 86, 88, 120, 121
unemployment, 85, 86, 87, 88, 115, 122
unequal pricing, 39
United Nations General Assembly, 123
United States of America, 14, 107, 109, 113, 122
unnatural chrematistike, 29, 30
unpaid labor, 115, 116, 119, 120, 122
use value, 27, 28, 30, 35, 39, 77, 78
usury, 29, 30, 31
utopia, 84, 111

value, 9, 13, 16, 27, 29, 30, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 45, 47, 48, 68, 69, 70, 75, 76, 77, 78, 79, 80, 81, 82, 83, 85, 87, 89, 94, 106, 119, 121, 123, 131, 133, 134
vertical inequalities, 124
violence, 1, 82, 86, 110, 125, 126

wages, 32, 79, 80, 84, 88, 107, 122, 123
wealth, 37, 41, 42, 43, 79, 81, 83, 91, 93, 97, 98, 100, 102, 103, 104, 106, 108, 109, 111, 112, 113, 117, 119, 128, 132
Webley, Paul, 22, 23, 24, 25
wergeld, 81
Wollstonecraft, Mary, 107, 117, 118
women, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129
work, 45, 78, 80, 81, 82, 83, 84, 85, 86, 87, 88, 94, 100, 104, 106, 107, 109, 116, 117, 119, 120, 127
Wright, Crispin, 51

Young, Michael, 110, 112

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