Nigel Dodd, *The Social Life of Money*
(Princeton, Princeton University Press, 2014)

The financial crisis of 2007/8 provides the background for Dodd's book, which he opens by asking: "Where did the crisis leave *money*?" He has a sizeable aim, namely "to stand back and reconsider the nature of money, particularly its social nature, not just in light of the specific events and political sentiments [...] but *in toto*." Alluding to his title, he wants "to explore money's *social life* in all of its myriad complexity" [4][1]. Central to his understanding of money is the proposition—ascribed to Simmel—that money is a "claim upon society" (*ibid*.). The clarification of this idea—What is the nature of such a claim? To whom is it addressed?—takes him through a survey of a huge amount of literature, from the financial crisis to Utopia, to ideas and practices of money that are supposed to "genuinely enrich our social and economic existence" [381].

20 years after his "Sociology of Money" Dodd is engaged in a voluminous new attempt to contribute to the theory of money. In his old book, the tone was more down to earth, with emphasis on monetary networks as networks of information. In the new book, Dodd sports a relaxed attitude not only towards issues of definition[2], but also of theoretical consistency. He does not seem to worry about overgeneralized observations, at least insofar as he lets quite a few of the authors he presents get by with a lot of nonsense. All this happens in the interest of discovering—beyond Simmel's original observations in that respect—the liberating features of money.

The book is structured as follows. Chapter 1 discusses ideas about the origin of money; chapter 2, the relationship of money to capital; chapter 3 debt, credit and money. These are interesting themes about

[1] In what follows, simple page numbers refer to Dodd 2014; italics are Dodd's unless otherwise noted.

[2] Dodd aimed for a general definition of money in his *The Sociology of Money*: "It is therefore essential to formulate a definition of money sufficiently abstract to enable such cases to be compared without generalizing to such an extent that important variations cannot in fact be accounted for or explained" (DODD 1994: xxvii). Now he rejects such efforts: "It is not imperative that we settle—finally—upon an overarching definition of money; indeed, doing so would be a mistake" [48]. After presenting various views of the origins of money, he suggests that money should be understood as a "field of variation [...] For the time being, I propose that we treat money in exactly this way: as an *idea*" (*ibid*.).

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European Journal of Sociology, 56, 3 (2015), pp. 462–473—0003-9756/15/0000-900$07.50per art + $0.10 per page
 doi: 10.1017/S0003975615000302

which there are serious theoretical controversies in the overlap between sociology and economics. However, Dodd's themes are primarily neither economic nor sociological. Or, more exactly, chapter 1 "Origins," chapter 2 "Capital", and chapter 3 "Debt" are mostly concerned with economic issues in a narrow sense. However, with the exception of chapter 7 on "Culture," discussing recent controversies about "grey" money in the classics *vs*. "richer," more "intriguing" and colorful contemporary views of money, the rest and thus the bulk of the book is not about the sociology of money. Rather, chapter 4 "Guilt" is about something I would call the theology of money; chapter 5 "Waste" about ideas on money in post-Freudian psychoanalysis and French postmodernism; chapter 6 "Territory" deals with the links of money to nation states and their dissolution; and chapter 8 "Utopia" is about attempts (both real and utopian) to construct alternatives to the dominant form of contemporary money, "once it has been freed from government and big banks" [359].

Considering Dodd's opening claim that he wants to "reconsider the nature of money [...] *in toto*" it is easy to see that a number of themes that are relevant for understanding the forms and social impacts of money use are missing, like money and social status, money and crime, money and art, money and pop culture, money and war, and so on. This is not to say that Dodd should have dealt with all these themes, but he should have been a bit more modest in what he claims to achieve.

Given the architecture of Dodd's book I was reminded of how the Coen brothers commented on the making of their film "Inside Llewin Davis": "the film didn't really have a plot [...] That's why we threw the cat in." In our case, the plot is the sociological theory of money, the cat the excursions into fields of "deep," "rich" thought, more or less related to money, into Nietzschean philosophy and its wake in Benjamin, into post-Freudian psychoanalysis, linguistics, anthropology, into current theories of anti-capitalist social movements and into post-modern French thought. In contrast to this diversity of intellectual efforts to understand money, Dodd's own sociological theory, on which I will focus in this review, is rather thin. It consists of a small number of propositions which repeatedly appear in the text.

Money is a claim upon society.
Money is an idea.
Money is not a thing, but a process.
Money lives.
Money has value.
Money contains a utopian strain.

https://doi.org/10.1017/S0003975615000302 Published online by Cambridge University Press

Money as a claim upon society

Dodd starts his theoretical argument by pointing out that "Simmel once described money as a 'claim upon society' [Simmel 2004: 177]". (4) Actually, the formula "money is a claim upon society" is not Simmel's own but stems from the mercantilist tradition. Simmel refers to it as the "core of truth" in these old theories. In the mercantilist tradition, money was seen as a sort of certificate, a pledge, a token. That somebody holds money is proof that he has provided a service or a good and now holds a general claim to receive an equivalent. By accepting money instead of a commodity in exchange, he has turned into a "creditor of society" [Wagner 1936: 83]. Simmel clearly makes use of these ideas, including the view that metal money involves credit, too. But for his own purposes, Simmel does not use the term "society" in this context. Rather, he describes a monetary economy as one in which the relation between two agents engaged in barter is replaced by a relation of the pair, of moneyholder and seller, to the collectivity [*Gesamtheit*, Simmel 1907: 163] or the "social circle" of the users of the same money. Therefore, money use presupposes, as Dodd underlines correctly, trust and faith that the claim will be honored by the collectivity in question. This is not necessarily the nation state, neither for Simmel, nor for Dodd. In the end, Dodd relies on Hart's distinction between state, nation, and community to fill in alternatives for the term "society" in the formula "money is a claim upon society." Only a "community" can fulfill the promise of a monetary utopia and bring money back within the reach of its users.

However, Dodd neglects one important problem contained in this argument. As Simmel [1907: 166] points out, a money holder cannot force anyone to deliver something for money. Each individual is free to reject any money offer. Simmel concedes that the obligation to deliver some countervalue holds only for the collectivity. So what happens when each member of a collective rejects? Simmel has no convincing answer, but the question is clearly relevant once one accepts the formula "money is a claim upon society." The other way around, it means that society has debts. This is a well-known concept of money, for example, in the form of the proposition that all money is credit. But why does Dodd go on to say: "Debt is arguably what makes money social, defining its capacity to be what Simmel called a claim upon society. Or to express this in another way, it is debt's fundamental sociability that makes it possible for money to exist" [92].

Money is a social fact. As such, it does not have to be "made" social. The same holds for debt: it cannot exist unless there is a social relation, namely, that between borrower and lender. There is nothing "fundamental" about this. If you think that all money is credit (which I don't, but which is implied in the concept of money as a claim upon society), then money and debt always coexist. Obviously, there may be debts without there being money. So one can argue that the debt relation is broader or older than social relations involving money. But that simply means that debts, and not their "fundamental sociability," are a condition of the possibility of money.

Money is an idea

Dodd begins his book "with the proposition that money is an extraordinarily powerful *idea*" [6, see also 48]. What does this starting point mean? Of course, if you use your brain and think about money, you are creating and perhaps developing some "idea" of money. Unless you live in Utopia, this idea will be informed by experience. In the case of money, almost all of us grow up with it: as children we observe and learn the use of money by observing (adult) others and communicating with them. Thus we learn the money "game" just as we learn Wittgensteinian language games. You become a competent money user and can go to the corner store and buy sweets. If later on you happen to write a theory of money, you obviously remain mostly in the realm of ideas, but you surely also have in mind your experience of practical money use.

So what does Dodd's "proposition" mean? He is not simply saying that he is about to form an idea of money as a start for building a theory. Instead, he is saying that money is an idea. In a way, this is trivial, because all money users not only spend, save, borrow, lend money, but in doing so they also form ideas of money. The non-trivial issues then are: what are those ideas? Do all money users have the same ideas? Are they shared? Do they converge? And, the perhaps most important question is: how are these ideas related to the practices of money use? Dodd is not asking such questions, although he seems to suggest that there is a cognitive gap: the ideas people have about money do not correspond to the realities of money, if, as Dodd also maintains, money "is essentially a fiction: a socially powerful—and socially *necessary*—illusion." What does it say about money if it is at the same time "powerful idea" and a "powerful illusion?" A very

https://doi.org/10.1017/S0003975615000302 Published online by Cambridge University Press

interesting question but Dodd does not take it up. Instead, he selects his idea of money from the many ideas offered in the existing literature: money as a "claim upon society." Thus, he is linking up to Simmel, to whom he attributes this concept. What does Dodd gain by proceeding like this? Among other things, Simmel constructs a "pure concept of money." Because whatever people use as money is only an imperfect realization of "money in its purest form" [48, ref. to Simmel], Dodd feels justified in denying the feasibility of a precise definition of money.

With some hermeneutic charity one could understand Dodd's insistence that money is an "idea" as referring to the symbolic aspects of social institutions or social facts: physical objects play roles as symbols in the (Wittgensteinian) games we play. How do we attribute symbolic qualities to physical objects? By thinking of them as parts of systems of symbols, as being subjected to the rules of a game. But it doesn't say much to propose that pieces of paper are money because we have the "idea" of money and we see or handle elaborately imprinted pieces of paper with this idea in mind. As a background for such individual ascription there has to be a collective that plays the same game and follows the same rules.

Money is a process, not a thing

Starting from the misconceived question, "Is money a *process* or a *thing*?" [6], Dodd eventually quotes Marx: "Money begets money in the 'bewitched, distorted and upside-down world haunted by Monsieur le Capital and Madame la Terre, who are at the same time social characters and mere things' [Marx 1894: 969]" [56]. Dodd affirms correctly: "Hence Marx's theory of money only makes sense if we take both parts of the formulation (*social characters, mere things*) together" [62]. However, his next step is to argue against money being things (I think the plural is important here): "For Marx, money is *not* a thing, it is a *fetishized social relation*" [62]. The possibility that social relations are represented by "mere" things and thus remain hidden behind relations between things—this is what Marx called the fetishism of commodities—does not occur to Dodd [cf. 72]. This is not just a problem of interpreting Marx, but rather a problem of understanding the nature of symbols. They are physical objects which have a—socially ascribed—meaning. This meaning, as in the case of money, may have more (say gold coins) or less (say the numbers on computer screens depicting the money in your bank account) to do with the physical properties of the things in question. However that may be, their role as symbols does not dissolve them as physical objects, just as their physical nature does not determine their functions as symbols. They remain things. Dodd seems to be uncomfortable facing such a duality. Nonetheless, sometimes he comes close to recognizing that things as symbols may stand for processes. In that spirit he quotes Hart: "money is a symbol of something intangible, an aspect of human agency, not just a thing" [309]. Otherwise Dodd repeatedly asserts that "money is a process, not a thing" [272, cf. 294, 372, 389], as if it were impossible that money objects play their role as things in social processes, such as buying and selling, borrowing and lending, and so on.

Money lives

This proposition is simply wrong. Money does not "live;" it does not have a life; it does not act. Whatever it may be thought to "do" is merely a reflection of what human agents do *with* money. Dodd's justifications for his title do not work: "By referring to the *social life* of money, I intend to draw attention to the sense in which money's value, indeed its very existence, rests on *social relations between its users*." In other words: money is part of our social life. It is a social fact. What else could it be? A part of nature? A godsend? As a social fact, it indeed depends for its "very existence" on social relations. This is occasionally mixed up, not just by Dodd, with the proposition that money is a social relation (for a critique see Ganssmann 2012). However that may be, the existence of money is required before it can have "value." But what is "money's value" supposed to mean? Ordinary economic understanding would suggest Dodd is addressing issues of changing purchasing power or the qualities of money as a public good. But Dodd refers to value in a broader, perhaps ethical or perhaps even aesthetic sense. The notion remains ambiguous, however.

Observing an "Occupy"-demonstration, Dodd saw a cardboard banner: "We are the true currency". I don't know why, but to Dodd these words "suggest that money's value is derived from *social life*" [9, cf. 388]. To start with, for a sociologist this is simply a truism: there are no values outside of social life. Money is a social fact. If something we call money has a property we call value, this must be due to social life. Why then should this truism additionally "suggest

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that money is not simply a claim upon society, but—ideally—*is* social life, gaining its value not from the institutions that produce it but from the people who use it"? [9][3]. In this way, Dodd not only—and wrongly—claims that money *has* a social life, but on top of this he proposes that money *is* social life. Metaphoric language or not, I simply cannot understand what that is supposed to mean. In a way, one could hold that social institutions "live" as long as people reproduce them by acting in the requisite patterns. That could hold for "money as a social institution" [Dodd 1994: xxvii], too. However, Dodd [2014: 9] wants us to distinguish "institutions" producing money on the one hand, and the "people who use it" on the other hand, where only the latter endow money with its value. This value creation by money users in turn "nurtures the idea that money can play a crucial and constructive role in imagining and shaping alternative economic and financial futures." Here, Dodd is clearly not thinking of the value of money as purchasing power but rather thinking of improvements of monetary systems in the interests of its users. Under what conditions are they possible? We will get to that question when discussing Utopian money.

In any case, for a sociologist who sets out to explain money it is a bad start to ascribe "life" to it. Money is neither an organism nor some agent that can do something. Money may be an institution, a medium, a means of communication, a transaction technology and so on. But whatever it is, it owes its existence and qualities as money entirely to human agents producing and using it in their interactions, in social life. But it is *their* social life, not that of money.

Money has value

For sociologists, it should be self-evident to start from the premise that money is a social fact.[4] Occasionally, Dodd clearly expresses such a view, too. But frequent statements such as "Money's value [...] comes from its *social life*" [361] are unfortunate and unlikely to

[3] In his conclusion of the book, Dodd attempts to explain why he holds money to *be* social life. He thinks that the placard "'we are the true currency' captures the notion of a collective 'will' underpinning money's production [...] It is the obverse side of Klossowski's living coin: money as an *embodiment of collective life*. Indeed, money *is* social life, in this specific sense. What it requires is not the anchor of its material reality but rather the backing of others. But faith, of course, is an extraordinarily complex, deeply social phenomenon, most especially where money is concerned" (388f.).

[4] One might even draw on Searle's (1995) very useful philosophical analysis of social facts and their specific objectivity.

further anybody's understanding of money. All through the book, it remains unclear what the meaning of the frequently used term "money's value" is. An example: "money's value is derived from the value of the human lives on which the economy—and the *social* life of money itself—depend" [393]. This shifts the question of what value is and how it is created from money to human lives, but it is not answered. Money is somehow valuable. But for what, for whom, and why? Clearly, Dodd has more in mind than the rather straightforward economic notion of money's purchasing power or the role of a well-functioning money system as a "public good" [Tobin 1992]. He appears to share the view that there should not be a sharp distinction between economic and other values. Such lack of conceptual discipline allows Dodd (and others, for example, Orléan in his *L'Empire de la valeur*) to associate freely and bring money into line with other, non-economic, "values." One outcome of such looseness is the possibility of labelling objects of gift exchange in tribal societies as money.

Money contains a utopian strain

"Money, *all* money, contains a utopian strain." Why? Because "Money rests on an extraordinarily powerful ideal[5], the ideal of complete fungibility" [10]. This, as so many of Dodd's arguments, is taken from Simmel according to whom money "is the absolutely fungible object" and at the same time "the fungibility of things in person," [Simmel 1907: 91, cf. 478]. The utopian quality of money accordingly derives from the fact that it can be used to acquire everything that is for sale. However, since not quite all desirable objects are for sale, it is quite an exaggeration to assert with Dodd that "Money can be anything—everything—and derives its power from this fact" [10]. In turn, because of its utopian quality, Dodd proposes that "money can be a *positive* force for change in its own right." It follows that "[i]nstead of striving to rid ourselves of money, we should aim for different *kinds* of money" (*ibid.*).

Unfortunately, Dodd's sketch of alternative monetary practices (in chapter 8) mostly emphasizes the normatively attractive goals[6]

[5] A few pages earlier, Dodd proposed that "money is an extraordinarily powerful *idea*;" now it "rests on an extraordinarily powerful ideal." Spot the difference.

[6] The goals are "to foster a sense of community, to build local wealth without allowing it to be siphoned off by large corporations and banks, and to provide 'free' banking. Such schemes appear to work against any idea of money as 'soulless'" (381).

https://doi.org/10.1017/S0003975615000302 Published online by Cambridge University Press

guiding them. With the exception of his discussion of bitcoins, he does not examine whether and to what extent these goals are effectively attained. On a theoretical level, it would be interesting to explicitly confront Dodd's positive views of the potential of alternative monies to better our lives with the results of the analysis of monetary systems by "econophysicists." They use sophisticated statistical models from modern physics to arrive at the result that the spontaneous operation of any monetary system will sooner or later result in sharp inequalities of money holdings (see, for example, Yakovenko 2011). If that argument is solid, skepticism vis-à-vis monetary utopias is not a question of "a lack of imagination" or of explicitly supporting "a system that demonstrably operates in favor of a rich minority" [387]. For the inequality effect, any monetary system would do unless it is complemented by strong redistributive policies. In other words, money's "utopian strain" is limited to its quality to be transformable into any element of the set of goods for sale. As Marx noted, however, this quality always stands in contradiction to the ever present quantitative limitation of money holdings, a contradiction that feeds the drive for *more* money that is dominating so much of our social life. So if it is starkly utopian to aim for a society without money, it is only a tiny bit less utopian to hope for a "society of monies" [387] that could escape the inequalities generated by mere money use without a state continuously engaged in countervailing redistribution.

In sum, Dodd has problems in formulating his arguments with the precision and consistency that would turn them into effective contributions to the sociology of money.

Beyond examining his theoretical concepts, I will resist the temptation to deal with his excursions into the field of what I termed above the theology of money. As a non-religious person I feel that I am not qualified to say anything about the relation of money/capitalism to religion or analogies between money and god. Actually, these could be objects of agnostic sociological inquiry, but it seems to me that much of what is being said in this field, including what Dodd has to say, is strongly colored by a sense of loss. Authors who are religious seem to have difficulties in coming to terms with the dwindling significance of traditional religious attitudes. They therefore construct analogies according to which money or capitalism perform roles of substitutes for such attitudes. Perhaps it illustrates my point that although god (or God) is frequently mentioned in Dodd's text, there is no corresponding entry in the index.

Apart from all that, Dodd's book may be useful if you want to know, for example, whether old right wing German thinkers like Friedrich Nietzsche and Carl Schmitt or some strands of psychoanalysis can contribute to any serious theory of money. Personally, I do not think so. Nietzsche's *Übermensch* and his critique of religion are weird speculative constructions that had some shock value for people who believed in human history as moral progress. *Gott ist tot* is a proposition that is only interesting for people who believe in god in the first place. Neither that nor Schmitt's ideas of political authority and the importance of the state of exception can teach social science anything relevant about money. I am afraid the same holds for post-Freudian psychoanalysis (perhaps Bataille with his emphasis on waste is an exception) and the post-modern thinkers that Dodd presents who indulge in trying to sabotage the certainties of common sense. But common sense captures the basic meaning of money better than what Dodd reports from Baudrillard or Derrida. For example, we are supposed to learn from Baudrillard that money "as a fetish [...] is 'a pure, unrepresentable, unexchangeable object—yet a non-descript one'" [195]. Why, fetish or not, would anybody call an "unexchangeable," "non-descript object" money? It is like calling a thing a knife that has neither blade nor handle. This kind of writing may be interesting for all sorts of reasons, but in its heroic indifference to such altogether trivial empirical facts like the practice of going into a store and buying groceries by handing over money, it has little if anything to do with social science. Another example: Dodd seriously discusses Derrida's rather silly revelations about the difficulty of deciding what is real and what is counterfeit money because—as long as nobody notices—the latter may be used just like legal money, with the same effects. Dodd concludes that "by Derrida's own standards of rigor, it is impossible to distinguish between true and counterfeit money: that is to say, the possibility of one (e.g., true money) rests on the fact its other (e.g., counterfeit money) is 'always already' part of its existence" [188]. One wonders what "standards of rigor" allow somebody to argue that it is impossible to distinguish between "true" and "false" because the two terms only allow us to mark a distinction together. Saying that a statement is true only has meaning because there is the possibility that statements may be false, and *vice-versa*. What does Dodd want us to learn when he goes on and on in describing and discussing this kind of text? Apparently, he is unwilling to draw a border line, separating social science from pseudo-philosophical chatter.

So, to proceed to the end of this review, let me speculate why Dodd has a hard time coming to grips with his subject.

The Economist (May 9, 2015) recently reported that only about half of the earth's adult population has a bank account. Even if that estimate is exaggerated, it should give many experts writing on money some food for thought. The point is not that people without bank accounts do not use money. They can and do participate in the global monetary system. If you happen to have a grandmother in a village in Cameroon and you live in Helsinki, you can send money to her, even if she is part of the population without a bank account. What steps are required to transfer money from Helsinki to the grandmother in Cameroon? What forms will money take? To answer such questions is not my concern here. Rather, I simply want to draw attention to the fact that there is a monetary system which—potentially—links all people around the globe. Its unit acts are payments, transfers of money from A to B, whoever the persons and whatever their locations, whatever forms the money might take and whatever happens to be the purpose of the transfer, trade, credit, gifts, or what not. Such a system may fluctuate, partially and temporarily disintegrate, but even after being hit by the financial crisis of 2007/8, it is there as a unity, as an operating network constantly in the (re-)making.

What do these observations have to do with Dodd's book? I had difficulties making sense of it and was puzzled. The reason is not primarily that Dodd takes us into the "myriad complexity" (4) of monetary matters. It is that Dodd refuses to see what, from the background, holds together all the dispersed, diffuse, manifold matters he writes about. It is the overarching unity of the global monetary system, established day to day by ubiquitous monetary practices. Instead of building his argument by referring to that system, Dodd tries to achieve a unity of purpose for his text by emphasizing what he calls the "social life" of money, sketching various aspects of it which, strangely even for a sociologist, he finds mostly outside the economic realm. That is a pity, a missed chance.

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