Article

Finance and Society
2015, 1(1): 7-19
© The Author(s)
10.2218/finsoc.v1i1.1368

Where has all the money gone? Materiality, mobility, and nothingness

Angus Cameron
University of Leicester, UK

Abstract

This article argues that the problematic nature of money's 'location' is important to opening up its more fundamental ontology. Using examples from recent financial crises, I explore the (temporary) historical relationship between money and the nation state, the changing nature of money, and the paradoxes these produce in a world convinced that money is real and material. I conclude that whilst we cannot resolve these ingrained paradoxes, we should at the very least take account of them as we try to explain the vagaries of our money economies.

Keywords

Money, territory, extraterritoriality, financialisation, mobility, ontology

> It is not particularly worrying if you and I, ladies and gentlemen, do not know exactly what money is. But it is absolutely terrifying if even the specialists and those who are responsible for money don't know, don't really know what money is.
>
> J.P. von Bethmann, 1984 (in Beuys et al., 2010: 19)

Introduction: Two disappearances, one return

The graph climbs steadily, business as usual, shares trading normally almost up to the moment of collapse. Things start to dip a little as media reports proliferate, but nothing catastrophic. Then suddenly, on September 15th 2008, the graph drops like a stone – the point at which the global economy goes into free-fall. This was the moment US investment bank Lehman Brothers collapsed and became the first major casualty of the 'credit-crunch'. Lehman did not cause the ensuing crisis single-handedly (though they certainly did their bit), but their demise has nevertheless come to symbolise the collective insanity and ineptitude that gripped financial markets and institutions at the time. In the days following the Lehman collapse we all learned more about 'sub-prime markets', 'toxic debt' and 'market corrections'

Corresponding author:
Angus Cameron, University of Leicester, University Road, Leicester, LE1 7RH, UK.
Email: awgc1@leicester.ac.uk

https://doi.org/10.2218/finsoc.v1i1.1368 Published online by Cambridge University Press

than we'd ever wanted, and that $US trillions had been 'wiped' from the value of the global economy. That's the disappearance everyone knows about.

The lesser-known disappearance happened 17 months later. To be precise it happened at 2.45pm, Eastern Standard Time, May 6th 2010. In fact the 'Crash of 2.45', or the 'Flash Crash' (as it became known), unfolded over a slightly longer period of time – about half an hour all in – 2.45 representing the bottom of a dizzying 995.55 point fall in the Dow Jones Industrial Average. Shortly before 2.45 someone had the wherewithal to pull the plug on the machines that, in the space of a few hectic minutes, had traded away much of America's (and by extension the world's) accumulated and future wealth. Once again, $US trillions were 'wiped' off the value of the major US stocks. This time, however, and much to everyone's relief (and surprise), shortly after 2.45 the machines started behaving themselves and within half an hour or so most of the value of the markets had been restored. A few people got very rich, some got burned, some of the sillier trades had to be cancelled, but by and large things went back to 'normal'. In the case of the Flash Crash, this is to say, the 'wiped' $US trillions came back.

In 2008, once the scale of the disaster became apparent, the question, 'Where has all the money gone?' was routinely asked. Given the way that the 'losses' were reported in the media, this seemed eminently logical. If, as everyone claimed, the markets were worth $x trillion one day, hour or minute, and $x-n trillion the next, what did this mean in practice? The response to this question – technically correct, but unsatisfactory – was that the lost 'money' had never actually existed. Rather, what was being described as a 'loss' was the difference between the nominal values of stocks, assets, securities, cash and the rest before and after market 'corrections'. If, however, the 'losses' reported in 2008 were simply 'corrections', was this also true of all that reported value 'regained' in the minutes after 2.45 on May 6th 2010? The restoration of market value once the machines had calmed down was certainly treated as real enough at the time. If the money lost in 2008 never actually existed, surely the money regained in 2010 was similarly illusory? This, of course, begs the further and much more important question: 'What is money, anyway?' And this question, again routinely asked in 2008, was not really answered at all even (and perhaps *especially*) by von Bethmann's 'specialists and those who are responsible for money'.

In practice the 'what' and the 'where' of money are, at any given time, intimately connected, if never simple. If the questions provoked by the 'disappearances' of 2008 and 2010 were not answered satisfactorily this is because the nature of this interconnection is both ambiguous and counter-intuitive. This is partly because of the peculiarity of money as a 'substance'. Money's effectiveness, as has been observed many times before, is a function of its *mobility* – the velocity with which it circulates and the spaces within and across which it is able to move. These spaces include, of course, the ones we imagine when we read media reports about the economy that roughly equate to the ones we see when we consult a world-map – areas of flat colour enclosed by neat black lines. These are supposed to be the 'national economies' of, say, France, Greece, Australia, Russia, Somalia and the other 190 or so (depending on what and who you count) 'sovereign' states. But the spatiality of money cannot be reduced to the 'formal' spaces of sovereignty. Not only can money's mobility not be explained fully through conventional spaces of economy, its complexity also creates 'other' spaces – spaces without magnitude and without territory, but which arguably represent the true domain of contemporary money. Money, this is to say, is intrinsically *extraterritorial* – it is always *beyond* territory however much we might kid ourselves that 'we' have pinned it down. And this begs the question not only of where it might go during and after financial crises, but also of what it is and where it might have come from in the first place.

https://doi.org/10.2218/finsoc.v1i1.1368 Published online by Cambridge University Press

The argument that follows will not answer these questions in any final sense – it will not even try to. This is because to seek to 'solve' the conundrum of money is to miss the point. The ambiguity, indeterminacy, and protean capacity for adaptation that characterize money in practice are often regarded as problems to be solved. Indeed, most of those analysing money professionally – bankers, economists, academics, and so on – treat money as though these issues have already been settled: money just is and we have no need to concern ourselves with its slippery ontology. But the events of 2008 and 2010 (and many others besides) challenge this complacency head on. Among the many other consequences of these cataclysmic economic events, the fundamental nature of money seems once again to be of paramount concern. This article cannot resolve this, but will outline some of the parameters of the problem by looking at a restricted set of money's material relations with the world – specifically its relationship to spatiality. Here, I argue, ambiguity is not a problem that can be solved, but rather an integral aspect of money that cannot be dispensed with. As 2008 and 2010 demonstrated, however, there are consequences if we ignore it.

Mobile money, ghost coins and the state

One of the counter-intuitive aspects of money stems from the 'truths' about it we, as economically active citizens of states, have had drummed into us throughout our lives: particularly that it is both *fixed* and *legible*. Fixed, because we give it a name that connects it unambiguously to a territory or territories – Pound, Dollar, Euro, Rouble, Dinar, Rupee, Real, Yen; national and/or inter-national currencies, but all connected in our minds and in any case formally legally ascribed to known places and spaces. Legible, because whenever money is discussed, these are the terms used to establish a common frame of reference and, therefore, exchange. That common frame always involves some level of allusion to, or simply assumption of, money's territoriality even if in practice we might be a bit hazy about what this actually means. Although the $US – whether as banknotes, coins, or expressions of electronic money – has a clear territorial reference, its use in general as the *de facto* 'global' currency and, in particular, as the effective 'national' currency for those states whose own national monies fall from favour at various times (Argentina, Israel, Venezuela, in recent times) means that only a proportion (and probably a very small one) of circulating $US have anything much to do with the United States. The capacity of private sector banks to create money without reference to the state – even if then regulated by national authorities – further dislocates money in practice from territoriality in theory. This seems to be resulting in money that is increasingly, dangerously perhaps, *mobile* – money that can wholly escape the rigours of territorial regulation. Whilst this is true, what tends to be forgotten is that this mobility has been characteristic of most money for centuries – it is the relative and temporary territorialisation of money by the nineteenth- and twentieth-century state that is the historic exception.

It is often assumed that money's growing mobility is a function of the transition from monies based on and often made from *specie* (precious metals such as gold and silver) first to paper banknotes, and then to various virtual and electronic currencies. In practice, however, the creation of 'national' currencies guaranteed by law rather than backed by metal – though the two systems have often run concurrently and not without confusion – was an attempt to curb money's tendency to move freely. Prior to the introduction of fully paper monetary systems – starting at the very end of the eighteenth century, but taking over a century to fully develop (Davies, 2002; Helleiner 2003) – and also before any form of functional currency control, specie money was, paradoxically, highly mobile. In Europe, for example, during the

https://doi.org/10.2218/finsoc.v1i1.1368 Published online by Cambridge University Press

seventeenth century many hundreds of different currencies were in circulation at the same time. Their mobility arose not from where they were issued or by whom, but by the capacity of the network of moneychangers (precursors to modern banks) to translate between coinages on the basis of the weight and fineness of the metal they contained. Thus, for example, London merchant Gerard de Malynes' *Lex Mercatoria*, first published in 1622 as a guide to mercantile trade, lists hundreds of different coins with their corresponding weights, fineness, and, therefore, relative values (Malynes, 1685). Most of these would have circulated within relatively small geographical areas, but some, such as the '*solidus*' (or '*bezant*') – the so-called 'dollar of the Middle Ages' – were used specifically for long-distance trade and lasted for centuries (Lopez, 1951).

The gradual process of 'standardising' money began with institutions such as the Bank of Amsterdam (f.1609) which, at the centre of one of the world's predominant trading ports, had to process many different coinages. To make transactions within the port simpler and cheaper, the Bank took in any coinage or bullion as deposits, recoining and reissuing the whole lot as the standard *guilder* (de Vries, 1976: 229). This standardisation of coinage greatly increased the efficiency and profitability of Dutch trade and over time became the model used by 'national' banks as they emerged at the end of the seventeenth century (e.g. Bank of Sweden, f.1668; and Bank of England, f.1694). Currencies linked strongly to national territories only emerge *after* these expedient pre-state standardisations of money were already well established.

Although the territorialisation of coinages happens everywhere eventually, it is not in itself a simple process whereby money becomes steadily and more legibly materialised. This is because even long before the advent of paper and electronic monies, functional money need never have any material embodiment. Writing about the major 'currencies' of the European Middle Ages, for example, Carlo Cipolla notes the strange existence of spectral coinages:

> [...] here the mystery begins, during the greatest part of the Middle Ages and the first centuries of the modern period, with the exception of a few short periods, nobody ever saw many of these "moneys" about which everybody talked. For instance, nobody for centuries saw a real pound, for the simple, but paradoxical, reason that the pound during the greatest part of its life did not materialize into a real, visible, and touchable coin. It was a ghost money. (Cipolla, 1956: 38)

Ghost, 'imaginary', 'bank', 'political' moneys and 'money of account' were all categories used to describe the phenomenon of monetary units in use in daily calculations of prices (particularly by banks and merchants, but also the wider population when needed), and treated as coins, but which were seldom, if ever, actually coined. Although used largely for the convenience of accounting (it is much more practical to tally large sums in 'ghost' pounds than in 'real' silver shillings), in the context of Europe's burgeoning banking and finance markets these imaginary monies became every bit as 'real' as their metal counterparts and were, of course, the distant forerunners of the 'fiat' money of the modern state (Einaudi, 1953).

The imperative to limit the territorial mobility of money coincides with the efforts of the state to define its boundaries (social, cultural, political, and legal as well as economic) and to define a 'national' population – the 'imagined community' of the nation state (Anderson, 1991; Cameron and Palan, 2004). The standardisation of money in the form of national currency is part of the efforts by emergent states, particularly in the nineteenth century, to create what Mary Poovey (1995) described as the 'social body' – the state as a single, integrated, quasi-organic, corporeal whole. In Britain, for example, which because of its industrial power largely defined what a 'normal' state would look like (cf. Habermas, 1992), the

https://doi.org/10.2218/finsoc.v1i1.1368 Published online by Cambridge University Press

shift from specie-based to wholly paper money – starting with the 'Suspension Act' of 1797 – led to the introduction of, among other things the income tax (1799), disciplinary 'Poor Laws' (1820s onwards), the reining in of the autonomous power of 'Municipal Corporations' (1835), banking 'reform' (i.e. consolidation and agglomeration, 1844 onwards) and much else that forced the 'nation' together and disciplined the way it used money. As Pierre Bourdieu noted with respect to the significance of taxation in the creation of a 'disciplined' and monetised national community, such legislation and tendencies towards territorialisation were mutually reinforcing:

> The institution of the tax (over and against the resistance of the taxpayers) stands in a relation of *circular causality* with the development of the armed forces necessary for the expansion and defense of the territory under control, and thus for the levying of tributes as well as for imposing via constraint the payment of that tax. The institution of the tax was the result of a veritable *internal war* waged by the agents of the state against the resistance of the subjects, who discover themselves as such mainly if not exclusively by discovering themselves as taxable, as taxpayers. (Bourdieu, 1998: 43, emphasis in original)

Money in the form of national currencies and tax systems was used to consolidate 'territory' and to link it, for a time at least, with a 'national population', but this was only ever a temporary 'fix'. The currencies of most of the world's major trading and banking states wriggled free of strong national control from the 1950s onwards, a process greatly accelerated by the United States in 1971, with the ending of the convertibility of the $US into gold – a grudging recognition by the then US government that territoriality was harming increasingly globalised economic growth. This does not mean that money is now entirely placeless, but that its territoriality is by now extremely hard to control.

For example, travellers from the wealthier 'advanced' economies of the world travelling to Venezuela encounter the difficulties of 'currency controls' even before they arrive, and from an unexpected source. Booking a taxi from the airport to Caracas involves not just arranging a time and destination, but also a brief and important introduction to Venezuela's complex monetary system. Indeed, a local taxi firm 'Taxi to Caracas' (2012) devotes an entire section of its website to helping its prospective clients negotiate the anachronism of state-controlled money. The site includes a brief account of Venezuela's recent monetary history, including the devaluation of 2008 in which the *Bolivar Fuerte* was adopted, resulting in the confusing circulation of three differently denominated local currencies. More importantly, it provides user-friendly advice in faultless English on how to circumvent the poor official exchange rates through the local black-market in foreign currencies:

> The black market gives far higher rates of exchange than the official, government regulated ones. If you do not use the black market rate, Venezuela is a very expensive country to visit. The only way a tourist will usually encounter the black market is in the form of a man approaching you (at the airport for example), quietly saying 'dollars, euros'. Changing money this way has a huge amount of risk (you could be given old bills/notes or simply be led away and robbed), however it is the only way to get the best value for your currency and consequently the best value for your visit to Venezuela. (Taxi to Caracas, 2012)

The emphasis on the risks of black market transactions may not be entirely unrelated to the firm's invitation to help with 'useful tips' on currency exchange further down the page. Indeed, it is possible that this firm is offering more than transport. However, what is important here is what this says about Venezuela's 'national' money. The attempt by the government to control the flows of currency in and out of Venezuelan currency space – in an effort to protect the *Bolivar Fuerte* from the ravages of the international monetary system – is clearly simply

https://doi.org/10.2218/finsoc.v1i1.1368 Published online by Cambridge University Press

stimulating alternative routes. The controls will slow down the flows of currency to some extent, but the evident freedom with which the black market operates suggests not by very much.

Something for nothing, nowhere

That we no longer have 'ghost' or 'imaginary' money as formal accounting categories is not because money has all somehow become real, but because since *all* money is now fictive such categories are redundant. Contemporary state money – so-called *fiat money* – is a creature of *law* (Mann, 1992; Ingham, 2004). There is nothing new, of course, about the legalisation of money – not least because at least since the beginnings of the centralised monarchic states of the early European Middle Ages, the issuance and regulation of money has been a function of 'sovereignty' – hence the many coinages named in relation to 'sovereign' entities: *sovereigns* themselves most obviously, but also *riyals, crowns, nobles, ducats, krone*, etc.

Until the introduction of first paper and then fiat monies, the value of money was, at least in theory, guaranteed by the substance from which it was made: gold, silver and copper/bronze. As has been noted many times, however, even during periods when specie coinages were paramount, metal alone was never enough to define or maintain value (Keynes, 1914). This is partly because of the perennial problem of 'debasement' – monarchs manipulating the metal content of coinages to artificially, and always temporarily, increase their apparent wealth – but also because the relationship between 'tale' (what a coin is supposed to be worth and/or or the number stamped on it) and 'weight' (what its metal content is actually worth according to the money-changers' scales and the vagaries of the market) was never stable (Davies, 2002). Values fluctuated both in relation to other coinages of the same metal and to the many thousands of fractional currencies of different metals that circulated alongside larger value coins (Timberlake, 1981; Sargent and Velde, 2002). It is for this reason that economic historian Luigi Einaudi (1953: 235) described the experience of the modern analyst looking at medieval money as being "to wander for a while in a dark forest". If the standardisation of money during the period of the 'strong' nation state (roughly 1870s to 1950s) was supposed to make this dark forest easier to navigate, by thinning out both the trees and the undergrowth, more recent events have caused it to grow back more strongly than ever.

To return briefly to the first of our 'disappearances' above, for example, the precise nature of money with respect to some of Lehman's later transactions is at best ambiguous. The Valukas Report (2010), commissioned by the US Securities and Exchange Commission to explain the collapse of Lehman, closely examined the bank's use of a particular accounting technique called 'Repo 105'. This monetary sleight of hand involved Lehman making a 'loan' to the financial markets, but, by undertaking to repay 105% of the value, the loan was defined as a sale. The sum in question – around $20 million worth of outstanding debt in Lehman's case – was thus removed from the books until the 'sale' was completed. According to the Valukas Report:

> Lehman's Global Financial Controller confirmed that "the only purpose or motive for [Repo 105] transactions was reduction in the balance sheet" and that "there was no substance to the transactions". (Valukas, 2010: 735)

Although not clarified in the report, 'substance' here refers primarily to the transaction because no 'real' asset was transferred. Repo 105 and related instruments use legal and

https://doi.org/10.2218/finsoc.v1i1.1368 Published online by Cambridge University Press

accounting loopholes to *redefine* one asset in terms of another in order to conceal it and/or to make it more 'tax efficient'. However strange and sometimes fraudulent such activities may seem, they are routine aspects of the management of the byzantine financial structures of contemporary corporations. The various activities that allow wealth to be concealed in the world's many tax-havens or protected by the many varieties of 'tax-shelter' currently marketed by the world's accountancy industry all involve the manipulation of the legal meaning and/or location of money (Palan; 2003; Cameron, 2006). Such activities are only possible because the money in which such transactions are denominated is itself without substance. Since money is already a legal fiction, this is to say, it is not very surprising that enterprising lawyers and accountants find ways of rewriting that fiction to their or their employers' advantage.

These substanceless transactions on the part of Lehman, for all the damage they ultimately caused, were relatively minor examples of the abstract nature of contemporary money, particularly those rarified creatures of the global financial markets that circulate on a very large scale – Eurocurrencies, Eurobonds, and derivatives of all kinds. Such monies – for all that they continue to be *reported* in familiar currency terms – are in practice of a very different 'substance' to the money embodied in the notes and coins used for ordinary daily circulation. As Jean-Joseph Goux noted some years ago even with respect to small-scale transactions, the means of payment – cash, check, or charge – has a determinant effect on the meaning of money and our personal relationship to it (Goux, 1999, see also Zelizer, 1997). This is even more the case with transactions that take place in the distanciated currencies of high finance and the obscure mathematical markets through which they continuously flow. It is partly because of this that no adequate or final explanation has yet been found either for what caused the Flash Crash or, more worryingly, perhaps, what the 'loss' and 'return' of so much ostensible 'value' actually means.

Because of their social as well as economic significance, various attempts have been made to make sense of these monies over recent years, particularly in terms of their location. Brian Rotman famously described the 'placeless' monies of the Eurodollar markets that emerged in the late 1950s, for example, as 'xenomoney' (literally 'strange money'):

> For 'Euro' and 'dollars' one should write 'xeno' and 'money' respectively. The Eurodollar has long since shed its attachment to Europe. It is in fact, no longer geographically located, but circulates within an electronic global market which, though still called the Eurodollar market, is now the international capital market. (Rotman, 1987: 90)

Rotman is correct to emphasise the separation of 'euro' currencies from the territorial space of Europe – they are so named because they originated in the 1950s as $US traded in European interbank markets (Burn, 1999) – but this does not mean that they have no geographical location. The 'space' of Eurocurrency trades may no longer equate to the territories of the currencies they adopt, but that does not remove it altogether as though the domains printed on the map exhaust the possibilities of space (Cameron, 2012). A rather different way of visualising this space comes more recently from Italian economists Amato and Fantacci, in trying to explain the nature of finance after the crisis of 2008:

> [...] It was precisely in virtue of the totally free space reserved for capital movements on the eurodollar market that it was possible to prevent them from generating pressure on balances of payments and hence on national currencies, at least as long as that space remained separate from the national monetary and financial systems. On this condition – which, however, remained implicit and problematic – the eurodollar market can be considered an autonomous monetary area with its own currency. (Amato and Fantacci, 2011: 104)

https://doi.org/10.2218/finsoc.v1i1.1368 Published online by Cambridge University Press

In contrast to Rotman's non-geographical space, Amato and Fantacci are suggesting that the Eurodollar markets effectively have their own mode of quasi-territoriality – an '*autonomous* monetary *area* with its *own currency*'. Whilst this may make the Euromarkets seem more legible as monetary spaces, it does not really capture their spatial peculiarity. Eurocurrencies, for all they are traded completely independently of their 'home' currency domain, nevertheless trade on the existence of that home: even as they undermine its 'fiscal sovereignty'. Similarly, Eurocurrency markets are not defined positively in terms of an 'area' they create, but negatively in terms of the territorial currency area that they do *not* inhabit. This means that they are defined as the very *antithesis* of territorial money.

Whatever the strengths and limitations of these attempts to explain current monetary realities, it is important to note that both start from the assumption that money is *normally* territorialized. Hence, although they do it differently, both accounts find a way to express the relationship of the 'new' money of the Eurodollar markets using the language of 'normal' spatiality. However, as suggested above, the 'strong' territorialisation of money practiced by the nation state and its national currency has in fact been a relatively short-lived exception (less than a century) in a much longer history of monies with little or no necessary connection to territory.

Although this comes as a surprise to many commentators for whom all money is necessarily territorial, the intrinsically exterritorial nature of money is a function of its more general and fundamental lack of substance. This aspect of money was explored throughout the 1970s and 1980s by performance artist Joseph Beuys, who staged many events that sought both to highlight and investigate the paradoxical 'nothingness' of money. Beuys' obsession with the nature of money stemmed less from a politically inspired critique than from his desire that art should have the same sort of currency. To highlight the commonality between art and money, Beuys would 'deface' banknotes by scrawling slogans such as 'Künst=Kapital' (art equals capital) over them and signing them. Such an act both destroyed the face value of the note as money, but at the same time massively increased its monetary value as an object by turning it, with a few strokes of a pen, into an artwork. Beuys was commenting as much on the dubious and still controversial relationships between art, money, and systems of value as he was on the nature of money itself, though many of his 'lectures' dwelt almost exclusively on the latter (for a recent exploration of these same issues, see Lind and Velthuis, 2012). This aspect of his work culminated in a public panel discussion held in 1984 in Ulm that brought together Beuys himself with a group of bankers and economists to address the question, 'What is Money?' (Beuys et al., 2010). The difficulty of defining money in substantive terms was posed directly by development economist Rainer Willert in his opening remarks to the meeting:

> 'What is Money?' 'Nothing': that's the only possible answer. But it works. Money works because in our heads, yes, we don't think of it as nothing. And because entire networks of institutions – here I'll mention only banks and the pricing system – emerged from this same falsehood and established themselves on its basis, making it their business to hide this nothingness from view. So money works. And its most important work is to secure its future: in other words to make sure we go on desiring it in [the] future too. (Willert in Beuys et al., 2010: 11)

The 'nothingness' of money is, paradoxically, crucial to its capacity to carry and store value in advanced economies. In place of the relatively inflexible (though arguably more stable) currencies of the period of the gold standard, contemporary money derives its value from a highly complex mix of legal decree, global market interactions, banking policies and practices, and the definition of what 'counts' as money at all. Only a money evacuated of any and all

https://doi.org/10.2218/finsoc.v1i1.1368 Published online by Cambridge University Press

substance (including a fixed territorial location) can function in such a complex system. It is because money is essentially nothing that also means that it is potentially everything – money is a 'meta-commodity' that is universally applicable. Beuys' own interest in money stemmed precisely from this transcendent universality, something he felt had been undermined by contemporary monetary practices (such as the style of high-risk banking practiced by the likes of Lehman), but which nevertheless had an emancipatory potential. Just as Beuys' ethos as an artist was based on the idea of universal participation, so he envisioned a de-institutionalised money that would serve mankind (cf. Hart; 2001; North, 2007).

This potentiality of money was noted a long time ago by Jorge Luis Borges in his short story 'The Zahir', in which the main protagonist considers the power of a 'substanceless' coin:

> [...] I reflected that there is nothing less material than money, since any coin whatsoever (let us say a coin worth twenty centavos) is, strictly speaking, a repertory of possible futures. Money is abstract, I repeated; money is the future tense. It can be an evening in the suburbs, or music by Brahms; it can be maps, or chess, or coffee; it can be the words of Epictetus teaching us to despise gold; it is a Proteus more versatile than the one on the Isle of Pharos. It is unforeseeable time, Bergsonian time, not the rigid time of Islam or the Porch. The determinists deny that there is such a thing in the world as a single possible act, *id est* an act that could or could not happen; a coin symbolizes man's free will. (Borges, 1949: 159)

The 'substance' of money is, therefore, deeply ambiguous. The mobility of contemporary money is both a product of its successive abstraction from national currencies (i.e. from attempts to regulate it through territorial legal/political systems) and the source of its power and value. Although the velocity at which huge volumes of electronic 'money' can now circulate is partly a function of its lack of material substance, the significance of velocity to its function has long been recognised. Hence Georg Simmel in his *Philosophy of Money* noted – after paper money was the norm, though before fully-fledged 'national' currencies had been fully realised: "The functional value of money exceeds its value as a substance the more extensive and diversified are the services it performs and the more rapidly it circulates" (Simmel, 1991/1900: 143). In other words, the functionality of money stands in inverse proportion to its physical 'reality'.

Money in between or money's morbidity?

That money has more functional 'substance' the less real it is, begs a question about the nature of its mobility. If there is no substance – as Lehman's financial controller happily admits – what moves? The immediate answer is, of course, nothing. If money is, as Willert suggests above, fundamentally nothing (cf. also Rotman, 1987), then the answer to 'Where has all the money gone?' is easy (if troubling): it has gone nowhere.

Although this may sound peculiar, historically money has not necessarily been a mobile thing in its own right, but a symbolic boundary zone through which other things, commodities of various kinds, are able to move. Money, this is to say, is fundamentally a means of intermediation – translating the worth of disparate objects, services, and entities through a common framework of value. As such, money is the means by which mobility is achieved for commodities, rather than being a mobile commodity itself. This mediating boundary function of money and markets is of great antiquity, long pre-dating the creation of the stuff we now call money. For example, the idea of a money/market space was attributed by the ancient Greeks to Hermes – messenger of the Gods (and thus, just like money, able to move between states of being), but also in his own right God of both theft and the market place. In his analysis of *Hermes the Thief*, Norman O. Brown describes the connection between the divine trickster and

https://doi.org/10.2218/finsoc.v1i1.1368 Published online by Cambridge University Press

the spatialisation of trade:

> The most primitive form of trade, “silent” trade, has features which we have already noticed in the cult of Hermes. In "silent" trade the parties to the exchange never meet: the seller leaves the goods in some well-known place; the buyer takes the goods and leaves the price. The exchange generally takes place at one of those points which are sacred to Hermes – a boundary point such as a mountaintop, a river bank, a conspicuous stone or a road junction. (Brown, 1947: 45)

The ‘sacred’ space of the market here performs no other function than intermediation – a neutral, extraterritorial space (with divine protection) through which trade could be conducted without conflict. This externalised and externalising feature of money and trade continued for centuries until the market place and the institutions of money were gradually brought inside the city walls of medieval Europe, and then progressively interpolated into the territories of the state (see Lefebvre, 1991; Tilly, 1992).

However it is defined and whatever it happens to be made of, money retains this intermediating function and for that it needs no substance. Yet over the centuries we have given money concrete form as currency and, in doing so, allowed it to become not just the conduit for commodity value, but a commodity in its own right. This produces the paradoxical-sounding situation whereby money as currency is traded through the intermediating space of money – money wearing its territorial identity being mediated by extraterritorial money.

The question, ‘Where has the money gone?’ therefore appears not as ‘wrong’, but as anachronistic: it assumes that money has one set of essences – solidity, durability, physicality and, above all, territoriality, when in practice all of these have largely dissipated. Contemporary money retains a vestige of these attributes because to function as a commodity, it must maintain a connection – even if only negatively – to a territorial currency and to the institutional paraphernalia of contemporary societies through which its value is established. The abstraction of currency into the quasi-spatiality of the Euromarkets has allowed some articulations of ‘currency’ (the currencies used by the markets rather than the ones embodied in the notes and coins in ours pockets) to become very close to money in the ‘pure’ sense, but without ever losing their capacity for that internal differentiation (a consequence of borders, interest rates, banking reserve requirements, taxation, etc.) that allows it to generate profits. Why trade in the messy and unpredictable corporeality of a ‘real’ commodity, when – assuming you can trade enough of them, fast enough – the marginal fluctuations between the commodity monies of the forex markets will generate vast revenues. And because the substance and spatiality of currency is already fictional, the new fictions generated by the hedge funds, the futures markets, the high frequency trading algorithms, the accountants and the lawyers cannot be excluded from the mix of commodity monies in circulation. As the ‘treasury function’ of the world’s bigger companies has gradually overtaken their manufacturing and trading functions as a source of profit, so ‘money’ in all its strange and abstracted forms, has more and more come to dominate economic global activity.

Although the scale of this shift in the nature and importance of money has grown at a geometric rate in recent decades, particularly since the vast influx of petrodollars into the forex markets in the 1970s, the uneasy relationship between money as intermediary and money as commodity is not new. John Maynard Keynes recognised the dangers inherent in it long before it grew beyond our collective control. Dreaming of a future when we would not value money as something to own and hoard, he wrote:

> We shall be able to afford to dare to assess the money motive at its true value. The love of money as a possession – as distinguished from the love of money as a means to the enjoyments and realities of life –

https://doi.org/10.2218/finsoc.v1i1.1368 Published online by Cambridge University Press

> will be recognised for what it is, a somewhat disgusting morbidity, one of those semi-criminal, semi-pathological propensities which one hands over with a shudder to the specialist in mental disease. (Keynes, 1931: 369)

Commodity money, territorialised money, Keynes was already suggesting in the 1930s, is a sign of collective insanity. The curious disappearances of 2008 and 2010, and our manifest inability to comprehend them, despite their concerning that substance that we use every day of our lives – money – might seem to confirm the madness at the heart of our economies.

Conclusion: Changing the mental map

For all his condemnation of what territorial money had become, Keynes did not suggest that it should or could simply be abolished. Rather he envisaged a gradual change over the course of a century or so, after which the contradictions in and unsustainability of modern money would render it obsolete. Whether his prognosis will prove accurate remains to be seen, but it is certainly possible that the crises witnessed since 2008 not just in the functioning of money but also in its very meaning, signal what Amato and Fantacci (2011) suggest might be the 'end of finance'.

At the very least our 'terrifying' collective inability to understand the true nature of money – 'you and I, ladies and gentlemen, *and* the specialists' – should cause us to start to re-examine it. With respect to its location, international political economist Benjamin Cohen concluded his analysis of *The Geography of Money* in the following terms:

> If public policy is to remain at all effective [...] we must update our mental maps of money to close the widening gap between image and fact – between the conventional myth of One Nation/One Money and the reality of a deterritorialized galactic structure of currency. Westphalia's territorial trap must be avoided. We all need to learn to think anew about the spatial organization of monetary relations. (Cohen, 1998: 168)

More recently, the 'Occupy Wall Street' protesters began to issue new mental 'maps' of money, using money itself (see Figure 1 below). To highlight inequalities in the US economy, they over-stamped dollar bills with graphic representations of the huge disparities of income and wealth in the US.



Figure 1. Occupy George

This may not look like a map, mental or otherwise, but that is only because we assume that all money is the same – a dollar is a dollar. But in addition to pointing out how unequal the distribution of dollars of all kinds has become, the 'Occupy George' bill also subtly alludes to the fact that the dollars represented to the left – those controlled by the 400 richest Americans – have a fundamentally different *location* to those on the right. Where money *is*, where money goes and, ultimately, what money is, are, therefore, a matter of *scale*. Those to

https://doi.org/10.2218/finsoc.v1i1.1368 Published online by Cambridge University Press

the left of the Occupy George Bill are able to access the extraterritorial world of the so-called high net worth individuals (HNWI) and ultra-HNWIs. Most of those to the right have no choice but to live within the confines of territorial money – the relatively immobile domain of state regulated cash.

Clearly, and despite the efforts of Occupy George, our mental maps are not yet up to date with the emergent geographies of money. The anomalous, partial explanations of the crises of 2008 and 2010 – both of which are, of course ongoing – further underline the disconnect Cohen observes between the 'image' and the 'fact' of money. That we cannot yet with any degree of certainty answer the question, 'Where has all the money gone?' suggests that we need not just an 'updating' of our mental maps, but some fundamental changes in the way extraterritorial money is created, managed, regulated, and distributed.

References

Amato, M. and Fantacci, L. (2011) *The End of Finance*. Cambridge: Polity.

Anderson, B. (1991) *Imagined Communities: Reflections on the Rise of Nationalism*. London: Verso.

Beuys, J., with von Bethmann, J.P., Binswanger, H., Ehrlicher, W. and Willert, R. (2010) *What is Money? A Discussion*. Forest Row: Clairview Press.

Borges, J. L. (2004/1949) *The Aleph and Other Stories*. Harmondsworth: Penguin Classics.

Bourdieu, P. (1998) Rethinking the State: Genesis and Structure of the Bureaucratic Field. In: *Practical Reason: On the Theory of Action*. Stanford: Stanford University Press, 35-63.

Brown, N.O. (1947) *Hermes the Thief: The Evolution of a Myth*. Herndon: Steiner Books.

Burn, G. (1999) The State, the City and the Euromarkets. *Review of International Political Economy*, 6(2): 225-61.

Cameron, A. and Palan, R. (2004) *The Imagined Economies of Globalization*. London: Sage.

Cameron, A. (2006) Turning Point? The Volatile Geographies of Taxation. *Antipode*, 38(2): 236-58.

Cameron, A. (2012) Splendid Isolation: 'Philosopher's Islands' and the Reimagination of Space. *Geoforum*, 43(4): 741-749.

Cipolla, C. (1956) *Money, Prices, and Civilization in the Mediterranean World, Fifth to Seventeenth Century*. Princeton: Princeton University Press.

Davies, G. (2002) *A History of Money From Ancient Times to the Present Day*. Cardiff: University of Wales Press.

de Malynes, G. (1685) *Lex Mercatoria: Or, the Ancient Law-Merchant Divided into Three PARTS of TRAFFICK*. London.

de Vries, J. (1976*) The Economy of Europe in an Age of Crisis, 1600-1750*. Cambridge: Cambridge University Press.

Einaudi, L. (1953) The Theory of Imaginary Money from Charlemagne to the French Revolution. In: Lane, F.C. and Riemersma, J.C. (eds.) *Enterprise and Secular Change: Readings in Economic History*. Homewood: Richard D. Irwin Inc., 229-261.

Goux, J-J. (1999) Cash, Check, or Charge? In: Woodmansee, M. and Osteen, M. (eds.) *The New Economic Criticism: Studies at the Intersection of Literature and Economics*. London: Routledge, 114-28.

Gray, R.T. (1999) Buying into Signs: Money and Semiosis in Eighteenth-Century German Language Theory. In: Woodmansee, M. and Osteen, M. (eds.) *The New Economic Criticism: Studies at the Intersection of Literature and Economics*. London: Routledge, 95-113.

Habermas, J. (1992) *The Structural Transformation of the Public Sphere*. Cambridge: Polity.

Hart, K. (2001) *Money in an Unequal World*. Cheshire: Texere Publishing.

https://doi.org/10.2218/finsoc.v1i1.1368 Published online by Cambridge University Press

Helleiner, E. (2003) *The Making of National Money: Territorial Currencies in Historical Perspective*. Ithaca: Cornell University Press.

Ingham, G. (2004) *The Nature of Money*. Cambridge: Polity Press.

Keynes, J.M. (1914) What is Money? [Review of A. Mitchell Innes' Article]. *The Economic Journal*, 24(95): 419-21.

Keynes, J.M. (1931) *Essays in Persuasion*. London: Macmillan.

Lefebvre, H. (1991) *The Production of Space*. Oxford: Blackwell

Lind, M. and Velthuis, O. (eds.) (2012) *Art and Its Commercial Markets*. Berlin: Sternberg Press.

Lopez, R.S. (1951) The Dollar of the Middle Ages. *The Journal of Economic History*, 11(3): 209-34.

Mann, F.A. (1992) *The Legal Aspect of Money: With Special Reference to Comparative Private and Public International Law*. Oxford: Oxford University Press.

North, P. (2007) *Money and Liberation: The Micropolitics of Alternative Currency Movements*. Minneapolis: University of Minnesota Press.

Palan, R. (2003) *The Offshore World: Sovereign Markets, Virtual Places and Nomad Millionaires*. Ithaca: Cornell University Press.

Rotman, B. (1987) *Signifying Nothing: The Semiotics of Zero*. Stanford: Stanford University Press.

Sargent, T.J. and Velde, F.R. (2002) *The Big Problem of Small Change*. Princeton: Princeton University Press.

Simmel, G. (1991/1900) *The Philosophy of Money*. London: Routledge.

Simmons, B. (2000) The Legalization of International Monetary Affairs. *International Organization*, 54(3): 573-602.

Taxi to Caracas. (2012) Venezuela's Currency Control System. Available at: <http://www.taxitocaracas.com/cambio-dinero.html/>. Accessed 13 July 2012.

Tilly, C. (1992) *Coercion, Capital and European Cities: AD 990-1992*. Oxford: Blackwell.

Timberlake, R.H. (1981) The Significance of Unaccounted Currencies. *The Journal of Economic History*, 41(4): 853-66.

Valukas, A.R. (2010) *Lehman Brothers Holdings Inc. Chapter 11 Proceedings Examiner Report*. Chicago: Jenner and Block. Available at: <http://www.jenner.com/lehman/>. Accessed 12 July 2012.

Zelizer, V.A. (1997) *The Social Meaning of Money: Pin Money, Paychecks, Poor Relief, and Other Currencies*. Princeton: Princeton University Press.

https://doi.org/10.2218/finsoc.v1i1.1368 Published online by Cambridge University Press