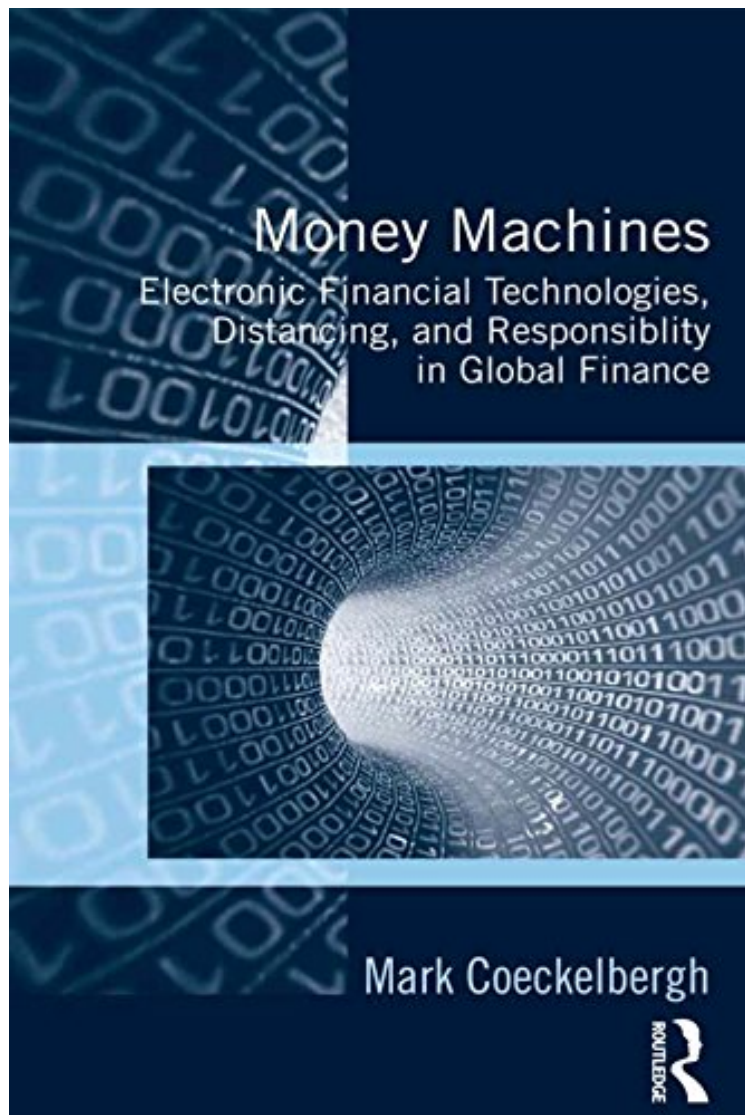


(Read free) Money Machines: Electronic Financial Technologies, Distancing, and Responsibility in Global Finance

# Money Machines: Electronic Financial Technologies, Distancing, and Responsibility in Global Finance

Mark Coeckelbergh

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**Mark Coeckelbergh : Money Machines: Electronic Financial Technologies, Distancing, and Responsibility in Global Finance** before purchasing it in order to gage whether or not it would be worth my time, and all praised Money Machines: Electronic Financial Technologies, Distancing, and Responsibility in Global Finance:

1 of 1 people found the following review helpful. Great example of philosophy referring to realityBy Geoff CrockerMark Coeckelbergh has made a very welcome contribution to practical philosophy, ie philosophy which

considers real issues in the human experience, and works through them thoughtfully. Drawing on Marx, Heidegger, Simmel, Arendt and McLuhan, he develops a claim that globalised money operating across ICT technology networks has led to distancing, abstraction, dematerialisation, objectification, and alienation. This is phenomenological philosophy of technology, although Coeckelbergh retains a theory-led approach, first discussing Simmel's 'The Philosophy of Money' and McLuhan's 'Understanding Media' at length. He then refers to selected observed phenomena, frequently using the formulation 'seems to', which does not create robustly researched empirical positions for challenge. He does claim (p133) that commodity exchange speculation has driven up food prices, but this may be hard to substantiate, as intermediate derivative trading ultimately faces the challenge of prices determined by real supply and demand. Coeckelbergh's position is that ICT-money connects, whilst simultaneously distancing. The data is clear that it adds global dimension, but the claim that it reduces local dimension is unproven and offers a good research project. McLuhan suggests that it strengthens the global without weakening the local. Anonymity can be local as well as global. Money is an abstraction. It represents input resources of land and labour, as well as outputs, commodities, goods, services, and assets. It qualifies people as rich or poor. It creates power relationships, and by its interest rate, determines distributive shares between lender and borrower. It is expressed in price, which contains signals of relative value, technical efficiency of production, and interpersonal distribution of the product. It is a means of exchange and a store of value. But does this abstraction of part of the human experience necessarily imply objectification of the whole human person? We can for example state that there are 7 billion people on earth, without thereby necessarily dehumanising them. The ultimate epistemic and ethical challenge for all abstractions is whether they credibly refer back to reality. Mathematics is an abstraction, but after diving through calculations, formulae, negative numbers, complex numbers, etc., the conclusions do consistently re-calibrate against reality. Money also has to refer. Historically it did this by support from gold reserves, or more recently by the sale of government bonds. But ultimately money has to refer to the real output of the economy, to the goods and services it can be used to purchase. Otherwise it collapses. This means that abstraction is not necessarily a problem, and does not necessarily imply alienation. Coeckelbergh takes the view that technology is not deterministic, which he needs to advocate system change by human agency. He does not wholly justify this position on a major question in the philosophy of technology, but since artefacts combine human agency and nature's objectivity, then it's a fair assumption. His concern for Aristotelian responsibility in financial technology is valid and virtuous, and depends not only on epistemic and control parameters being in place, but also an agreed ethical framework. However he does not say how any actor in any system can possibly know the consequences of any action for all possible victims. For anything all of us do, the epistemic constraint is in fact severe, and the ability to control outcomes very limited. Added to these we need a moral framework. Coeckelbergh does not say how this is derived and agreed. Nor does he say how democratisation of financial technologies could be achieved. A useful adjunct to Coeckelbergh's work would be the economics literature on the philosophy of money, particularly Keynes, whose liquidity preference theory showed how involuntary unemployment could only uniquely arise in a money economy, giving money immediate social implication. Equally, assumptions of balanced monetary budgets drive socially divisive austerity policy. Not all economies are monetised. Money played a much diminished role in the planned Soviet Union economy, and in the Russian barter economy of the late 1990s. It would be an interesting research project to analyse whether these economies exhibited less distancing? Coeckelbergh reviews a number of alternative and new financial technologies such as barter, LETS, Bitcoin, time banks and microcredit. Some of these like barter, cash or vouchers may reduce distancing by forcing local and physical exchange, although even local ICT can create total distancing. Money can be a means of exchange, a store of value, or both. Some new alternatives like Bitcoin are primarily a store of value, requiring only trust as its authentication. But a new money technology as a means of exchange is more problematic, since it must refer to output in the economy it serves. A major emission from a new money technology would simply drive massive inflation if it did not liaise with existing money, and jointly refer to output. Proponents of new money technology have not addressed this major issue, which can often invalidate the proposal. The book clearly stirs debate as intended, and is a valuable resource for philosophers interested in a philosophy which refers.

While we have become increasingly vulnerable to the ebb and flow of global finance, most of us know very little about it. This book focuses on the role of technology in global finance and reflects on the ethical and societal meaning and impact of financial information and communication technologies (ICTs). Exploring the history, metaphysics, and geography of money, algorithms, and electronic currencies, the author argues that financial ICTs contribute to impersonal, disengaged, placeless, and objectifying relations, and that in the context of globalization these 'distancing' effects render it increasingly difficult to exercise and ascribe responsibility. Caught in the currents of capital, it seems that both experts and lay people have lost control and lack sufficient knowledge of what they are doing. There is too much epistemic, social, and moral distance. At the same time, the book also shows that these electronically mediated developments do not render global finance merely 'virtual', for its technological practices remain material and place-bound, and the ethical and social vulnerabilities they create are no less real. Moreover, understood in terms of

technological practices, global finance remains human through and through, and there is no technological determinism. Therefore, *Money Machines* also examines the ways in which contemporary techno-financial developments can be resisted or re-oriented in a morally and socially responsible direction - not without, but with technology. As such, it will appeal to philosophers and scholars across the humanities and the social sciences with interests in science and technology, finance, ethics and questions of responsibility.

'As if proving Heidegger correct, what the recent financial crisis clearly demonstrates is the extent to which the techniques and technologies of global finance have remained transparent and virtually invisible. In this eye-opening book, Mark Coeckelbergh expertly exhibits and examines the influential but often unseen machines, machinery, and mechanisms of money that now regulate every aspect of contemporary life.' David J. Gunkel, Northern Illinois University, USA 'Mark Coeckelbergh is recognized internationally for illuminating the manner in which information and communication technologies (ICTs) create new forms of "distancing" and in particular "moral distancing". This important book extends that analysis to underscore the hidden ways ICTs shape money and global finance, alter relationships, and undermine responsibility.' Wendell Wallach, Yale University, USA About the Author Mark Coeckelbergh is Professor of Technology and Social Responsibility at De Montfort University, UK. Previously he was Managing Director of the 3TU Centre for Ethics and Technology and affiliated to the Philosophy Department of the University of Twente, The Netherlands. His publications include *Growing Moral Relations* (2012), *Human Being @ Risk* (2013), and numerous publications in the area of ethics and technology, in particular the ethics of robotics and ICTs.