



# SPT2013

Technology in the Age of Information

## ABSTRACTS

**4 - 6 July 2013**



MINISTÉRIO DA CIÊNCIA, TECNOLOGIA E ENSINO SUPERIOR

## ***Money in the global village: How financial technologies shape our moral geography***

Mark COECKELBERGH  
Department of Philosophy  
University of Twente, The Netherlands  
[m.coeckelbergh@utwente.nl](mailto:m.coeckelbergh@utwente.nl)

Current public discussions on finance and economy rarely consider the role of financial technologies, in particular financial information and communication technologies (ICT), and philosophers of technology do not usually pay much attention to the issue. But few technologies or media have been so influential as money and other financial technologies in shaping our contemporary world. If today we live in a “global” information society at all, this is made possible by money and (other) ICTs that connect people and create a global network of trade and communication. How shall we interpret this development and investigate its moral and social implications?

In this paper I offer a preliminary reflection on the moral and social significance of financial technologies by asking the question what kind of moral spaces are created by these technologies, and by suggesting and discussing two kinds of possible answers to this question.

First I (re)construct a narrative about how money and “electronic” financial technologies have *globalized* our world, that is, have create one global space. ICTs have made possible a shrinking of our world. We now live in what McLuhan called a “global village”: electronic technology creates “a global embrace, abolishing both space and time” (McLuhan 1964, p. 3). There is one global market space, made possible by money and especially by our present electronic trading technologies. With

regard to morality, this image of a market--network that spans the earth bears the promise of a morally and politically united world, a globalization of morality, an expansion of our moral circle, world citizenship, peace and cooperation, Enlightenment universalism realized by technological means.

Then I call into question this narrative (its descriptive and normative dimension) and sketch a revised moral geography.

First, like other new technologies (Coeckelbergh 2013), electronic financial technologies create new vulnerabilities. By connecting us, they also make us dependent on global markets. We quiver and oscillate to the ebb and flow of financial activities. However, this vulnerability is unequally distributed: some are more vulnerable than others; in this sense, there is no global moral space.

Second, there is no (mature) global public space that could be a space for democratic action. There is a huge moral distance between those who take financial decisions and financial experts, on the one hand, and citizens, on the other hand. We don't really know what is going on and have little or no control over what is going on; yet we are dependent the financial world. Again, there is a divided global moral space, a divided *polis*, rather than one moral--political space.

Third, money already rendered our relations with others and with our environment more detached, and has turned value into something abstract and virtual. Simmel has argued that money is a tool that renders human relations less personal, makes us more dependent on society, and creates distance between shareholders and their company or estate (Simmel 1907). Current ICTs seem to aggravate the situation. If there is a global space at all, then it is one in which there is moral and social distance between people, and between different spaces of activity. People are alienated from each other and from "their" activities. Such a dispersed and fragmented moral space hardly deserves the name "global".

Finally, while it seems at first sight that the new technologies "abolish" space and create one "virtual" global space of financial--communicative *fluxus*, in reality space and place remain very important. As literature in the field of social studies of finance shows, contemporary financial practices (still) have a significant material and bodily aspect, are not generally global when it comes to the geographical distribution of their attention and operation, and are tied to specific places (e.g. a trading room) that matter with regard to the way the practice takes shape (see for example Callon and Muniesa 2007; Beunza and Stark 2004; Beunza et al. 2006; Hardie and MacKenzie 2007; Knorr Cetina and Bruegger 202). And Castells argued that there is a 'space of flows' but he also stressed that in the information society there is also the 'space of places' and that not everything is global in the global economy. For example, most production and employment remains local (Castells 2010). Again, the "global" space of finance turns out to be less homogeneous than assumed in the first narrative; there are at least different spaces, and the place of financial practices has moral consequences.

I conclude that I have successfully questioned the narrative about moral globalization by financial ICTs, but that this is only a rough sketch: we need further work on how financial technologies shape

our moral geography in order to arrive at a more refined and nuanced picture that can contribute to a more developed philosophy of financial technologies.

#### References

- Buenza, Daniel and Stark, David. (2004). Tools of the Trade: The Socio---Technology of Arbitrage in a Wall Street Trading Room. *Industrial and Corporate Change* 13(2): 369---400.
- Beunza, Daniel, Hardie, Iain, and Donald MacKenzie. (2006). A Price is a Social Thing: Towards a Material Sociology of Arbitrage. *Organization Studies* 27(5): 721---745Beunza and Stark 2004
- Callon, Michel, Millo, Yuval, and Fabian Muniesa (eds). (2007). *Market Devices*. Oxford: Blackwell.
- Castells, Manuel. (2010). *The Rise of the Network Society*, 2nd edition. Chichester: Blackwell/John Wiley & Sons.Castells 2010.
- Coeckelbergh, M. (2013) *Human Being @ Risk: Enhancement, Technology, and the Evaluation of Vulnerability Transformations*. Springer (forthcoming)
- Hardie, Iain and MacKenzie, Donald. (2007). Assembling an Economic Actor: The *Agencement* of a Hedge Fund. *The Sociological Review* 55(1): 57---80.
- Knorr Cetina, Karin and Bruegger, Urs. (2002). Global Microstructures: The Virtual Societies of Financial Markets. *American Journal of Sociology* 107(4): 905---950.
- McLuhan, Marshall. (1964). *Understanding Media*. New York: Mentor.
- Simmel, Georg. (1907). *The Philosophy of Money*. (Trans. Tom Bottomore and David Frisby. Ed. David Frisby.) London and New York: Routledge, 2004.