

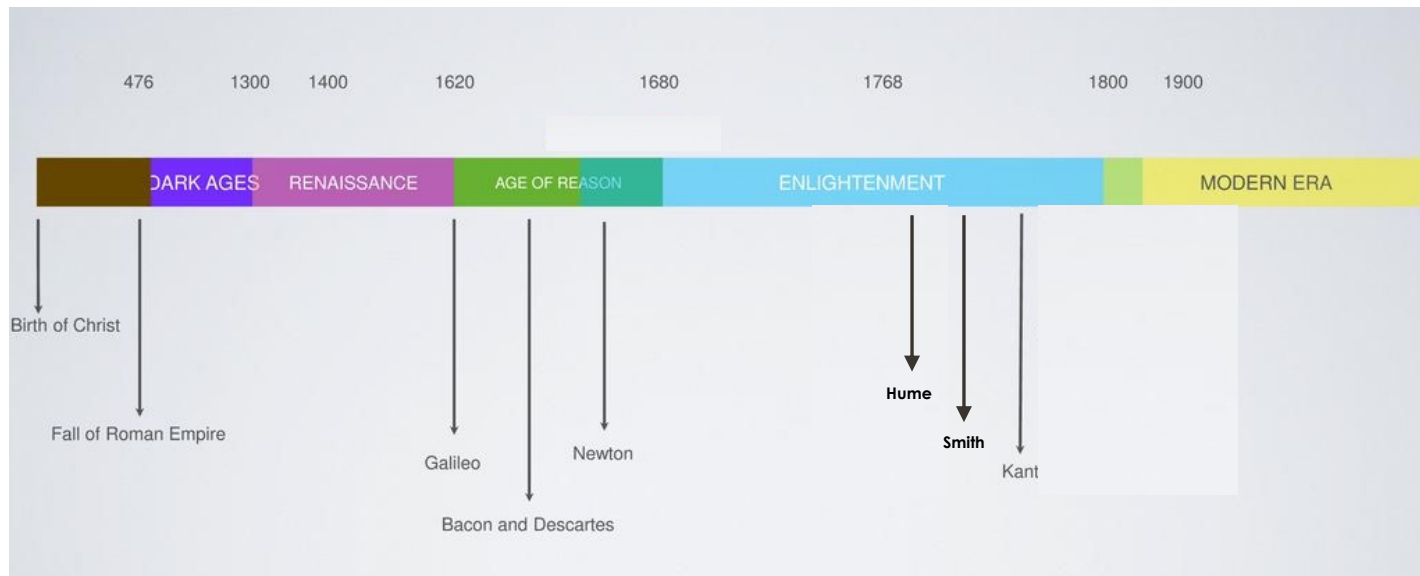


# The Ontology of Money and Paradigm Shifts in Philosophy and Economics

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25 October 2022

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# 1. Introduction: Philosophy & Economics



# 1. Introduction: Philosophy & Economics

***“Any satisfactory theory of money implies a theory of the economic process in its entirety.”***

-Joseph Schumpeter, 1954

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1. Introduction: Philosophy & Economics
  2. The Ontology of Money in Brief

## 2. The Ontology of Money in Brief

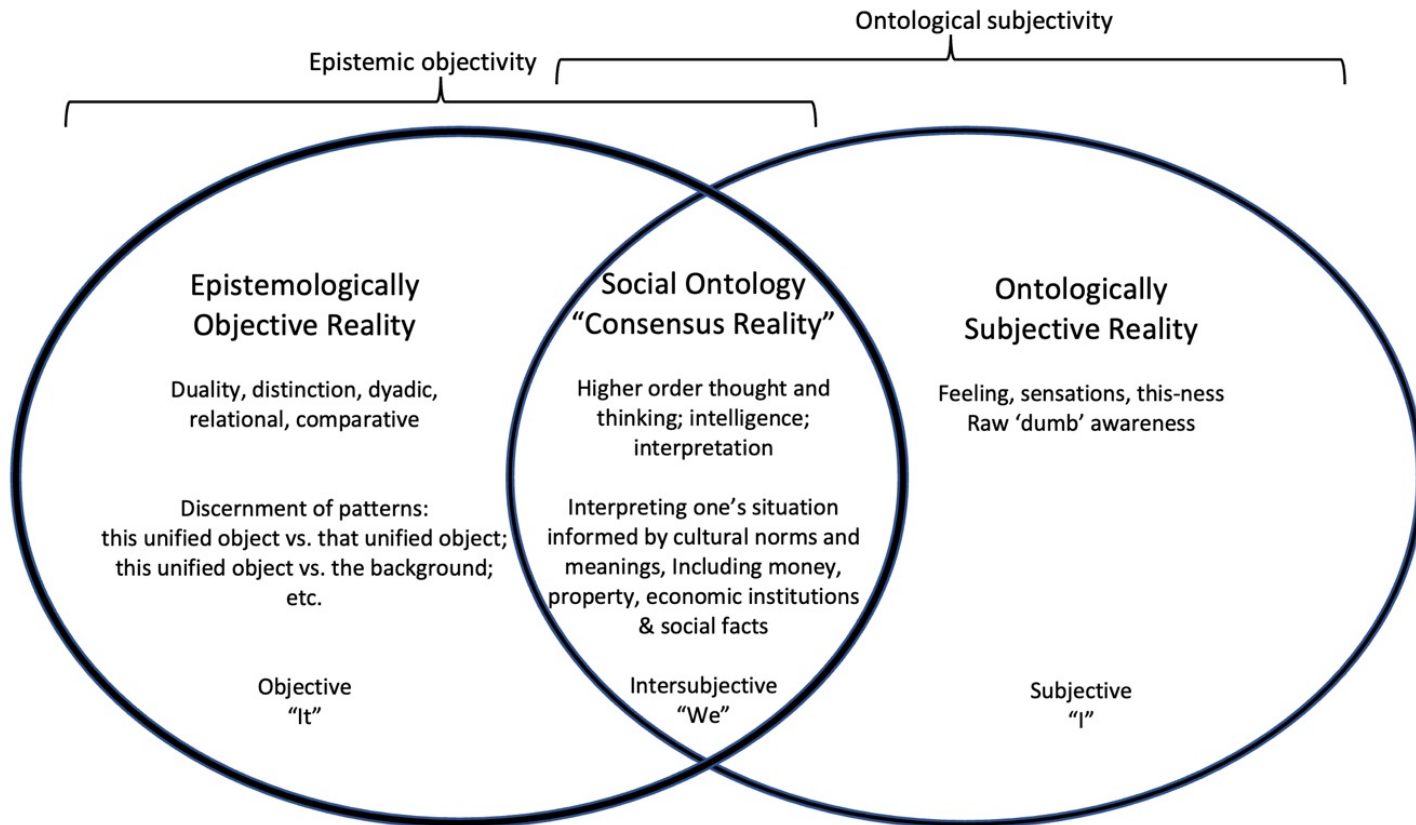


*Money is epistemologically objective, but  
ontologically subjective.*

*It is real, but exists only in our minds.*

## 2. The Ontology of Money in Brief

*The spectrum of consciousness & three ranges of perception.*



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1. Introduction
  2. The Ontology of Money in Brief
  3. Money Problems in Economics

### 3. Money Problems in Economics

In the 1750s to 1770s, Adam Smith and the Physiocrats discovered the essence of modern economics.

*The interdependency of economic phenomena and whether analysis of that interdependence will yield relations sufficient to determine – if possible, uniquely – all the prices and quantities of products and productive services that constitute the ‘economic system’.*

- Schumpeter, 1954, History of Economic Analysis, p. 242

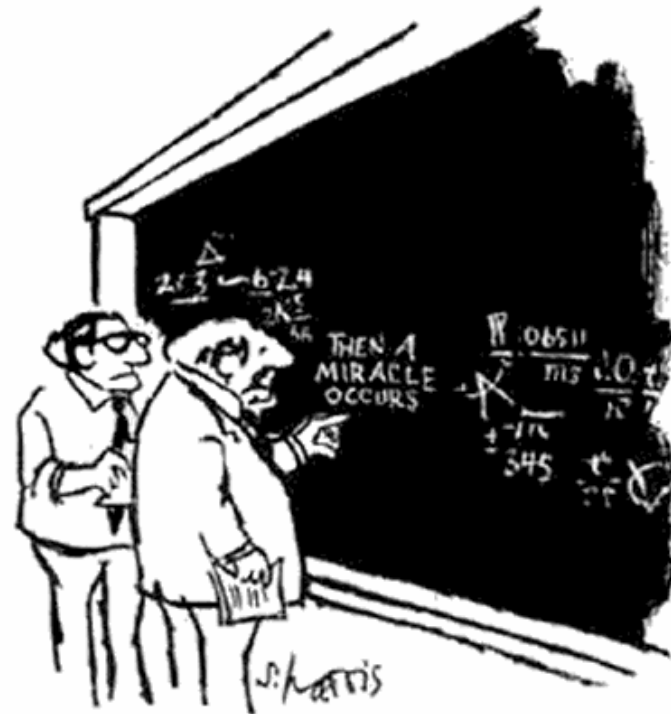


### 3. Money Problems in Economics



Inflation waves over the past 1,000 years. *David Hackett Fischer*

### 3. Money Problems in Economics



"I THINK YOU SHOULD BE MORE EXPLICIT  
HERE IN STEP TWO."

© 1995, 1979-1981 J. HARRIS

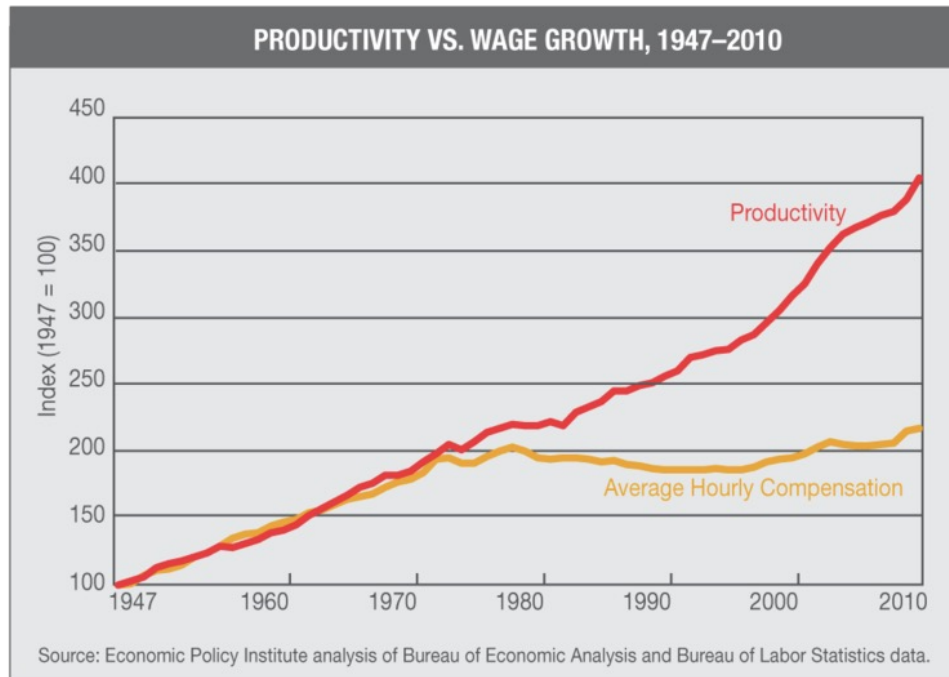
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### 3. Money Problems in Economics



### 3. Money Problems in Economics

Massive inequality due to financialization.



#### Capital income

- Profit
- Interest
- Rent
- Capital Gains
- Royalties

#### Labor income

### 3. Money Problems in Economics

Vast, unstoppable destruction of the planetary biosphere as a result of industrialization.

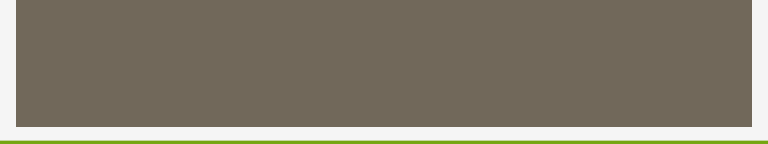
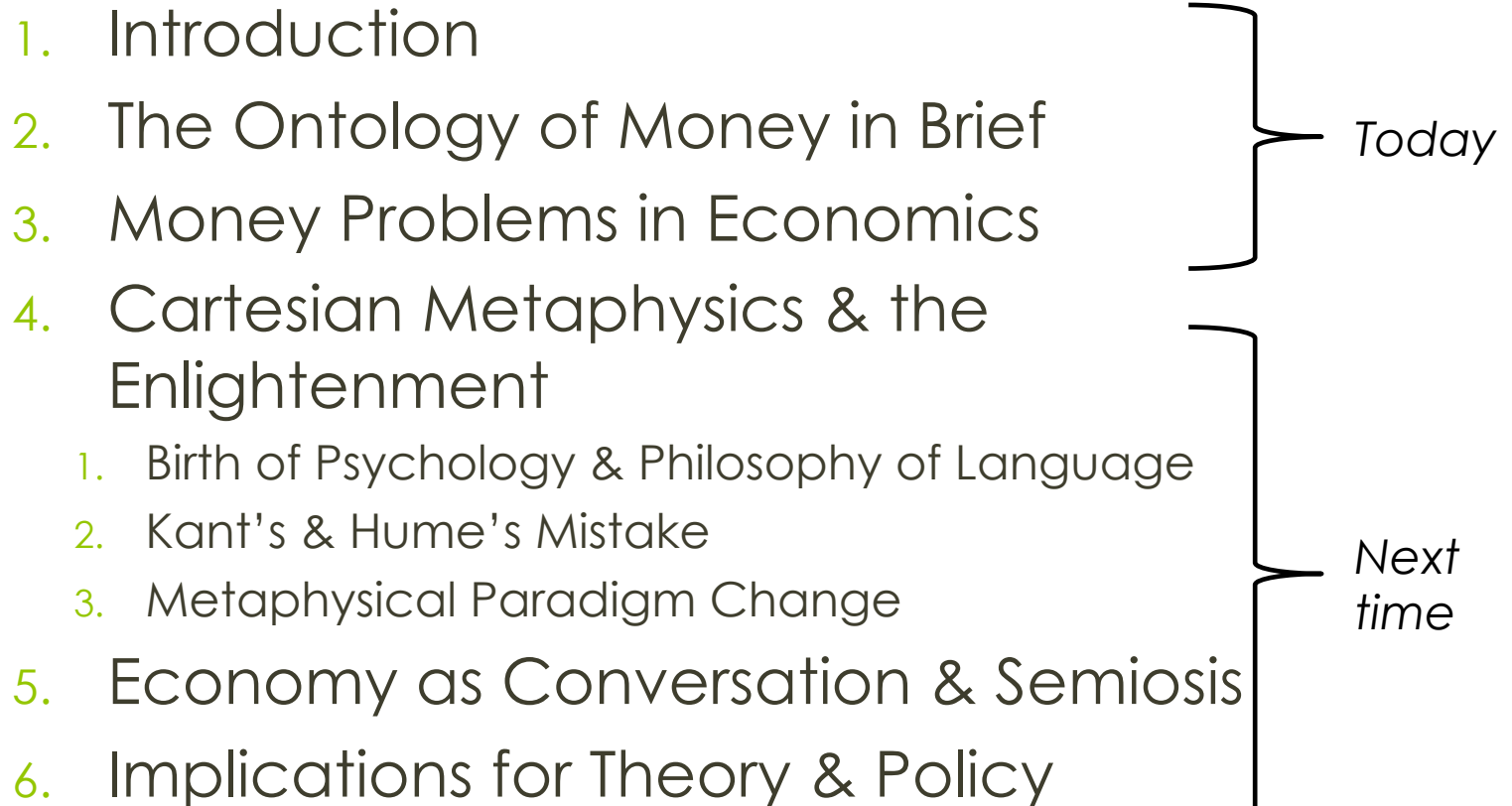


## Summary

1. The method of natural science, with its strict, absolute duality between subject and object, is inappropriate for economics. It cannot deal with observer-dependent, intersubjective ontologies which are rife in economics.
2. Economic institutions – money, property, corporations, government agencies, even “private-citizen subjects” – are shorthand symbols (signs) that people mutually understand and use to coordinate action and establish recurrent orders of activity.
3. These signs, like all language, are learned by the individual from the speaking community/culture. They inform the individual’s intentionality, subjectivity and action. This individual subjectivity is part of a community-spoken intersubjectivity or “objective mind”.
4. There is no objective behavior of an individual subject. The behavior is an expression of the community’s rationality as best interpreted by the individual. Each individual is a self interpreting being, using common meanings of the speaking community, including institutional symbols and signs.

## Summary continued

5. To develop “knowledge” of the economic semiotic order, both as a participant as well as an investigating scientist (aka “professional economist”), one must already understand and act according to the meanings that the participants use in their economic action.
6. Economics, like other semiotic disciplines, is the study of imposed order based on meaning rather than natural or physical order. The object of study is the same sort of activity or being that carries out the inquiry. Interpretation (hermeneutics) is inherent to the study of economy.
7. The superiority of the hermeneutic/interpretive/semiotic approach to the naturalistic Cartesian approach is that it allows for the study of economics to be an objective science but not a strictly physical or material science.
8. The meanings that participants understand, as well as the objective conditions of living, change over time. Therefore, economic science is an evolutionary science, as is the economic order created in speech.

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1. Introduction
  2. The Ontology of Money in Brief
  3. Money Problems in Economics
  4. Cartesian Metaphysics & the Enlightenment
    1. Birth of Psychology & Philosophy of Language
    2. Kant's & Hume's Mistake
    3. Metaphysical Paradigm Change
  5. Economy as Conversation & Semiosis
  6. Implications for Theory & Policy
- Today
- Next time





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# Two styles of economic development



## “TINA”

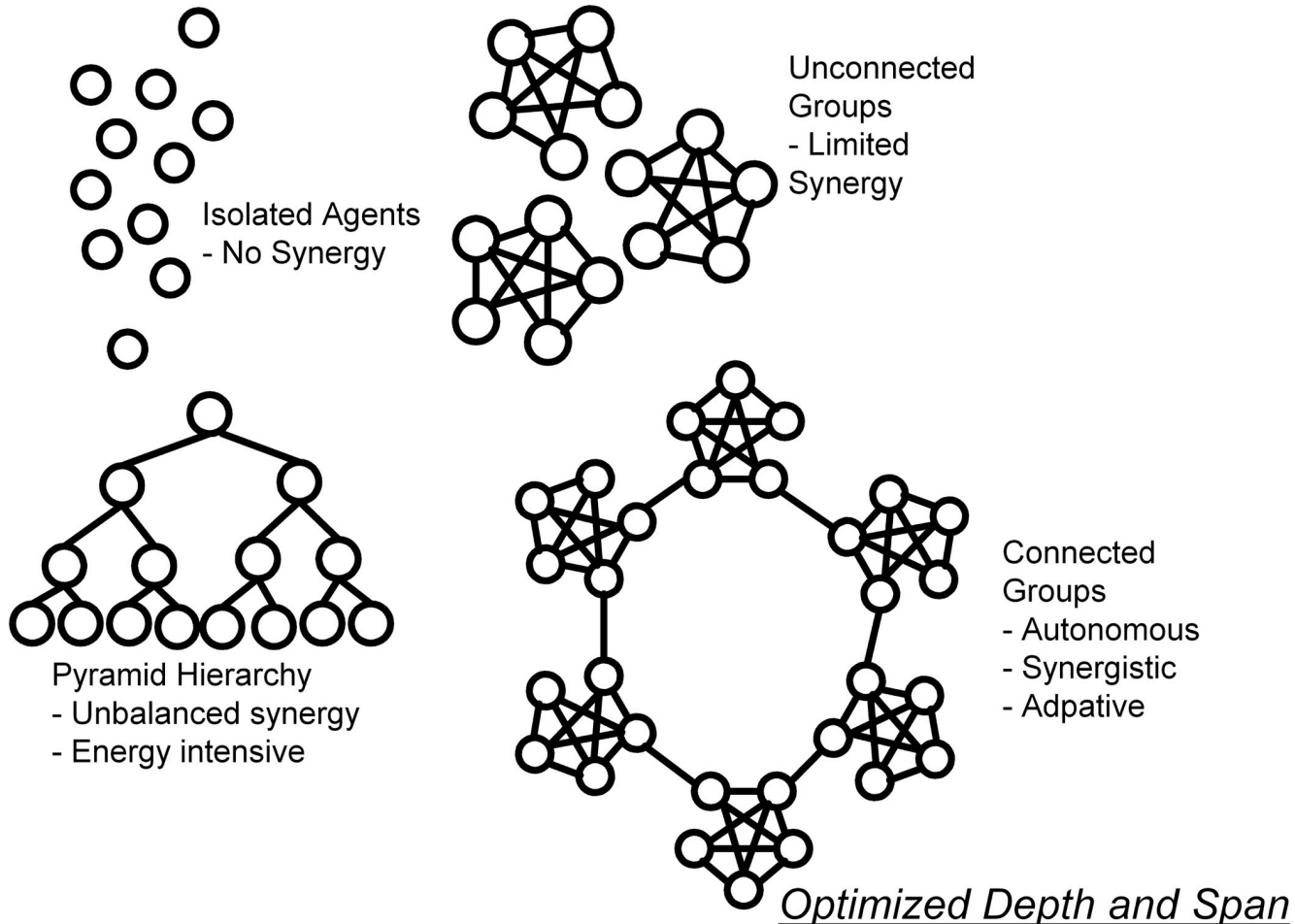
- There Is No Alternative!
- Recruit large manufacturer, retailer or development project to create jobs
- “Hunt” paradigm
- Money leaves region, company may leave too



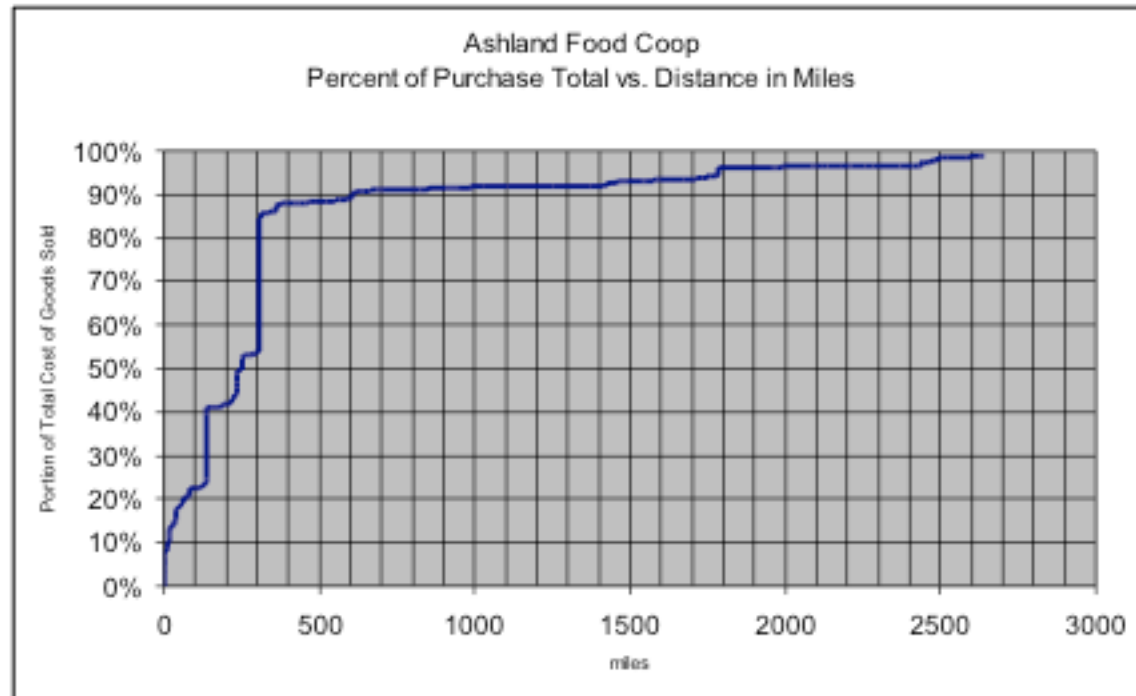
## “LOIS”

1. Local Ownership
  2. Import Substitution
  3. Export Growth
  4. Buy local
  5. Local vehicles for capital accumulation and reinvestment
- “Grow” paradigm
  - The only lasting economic development is internally generated

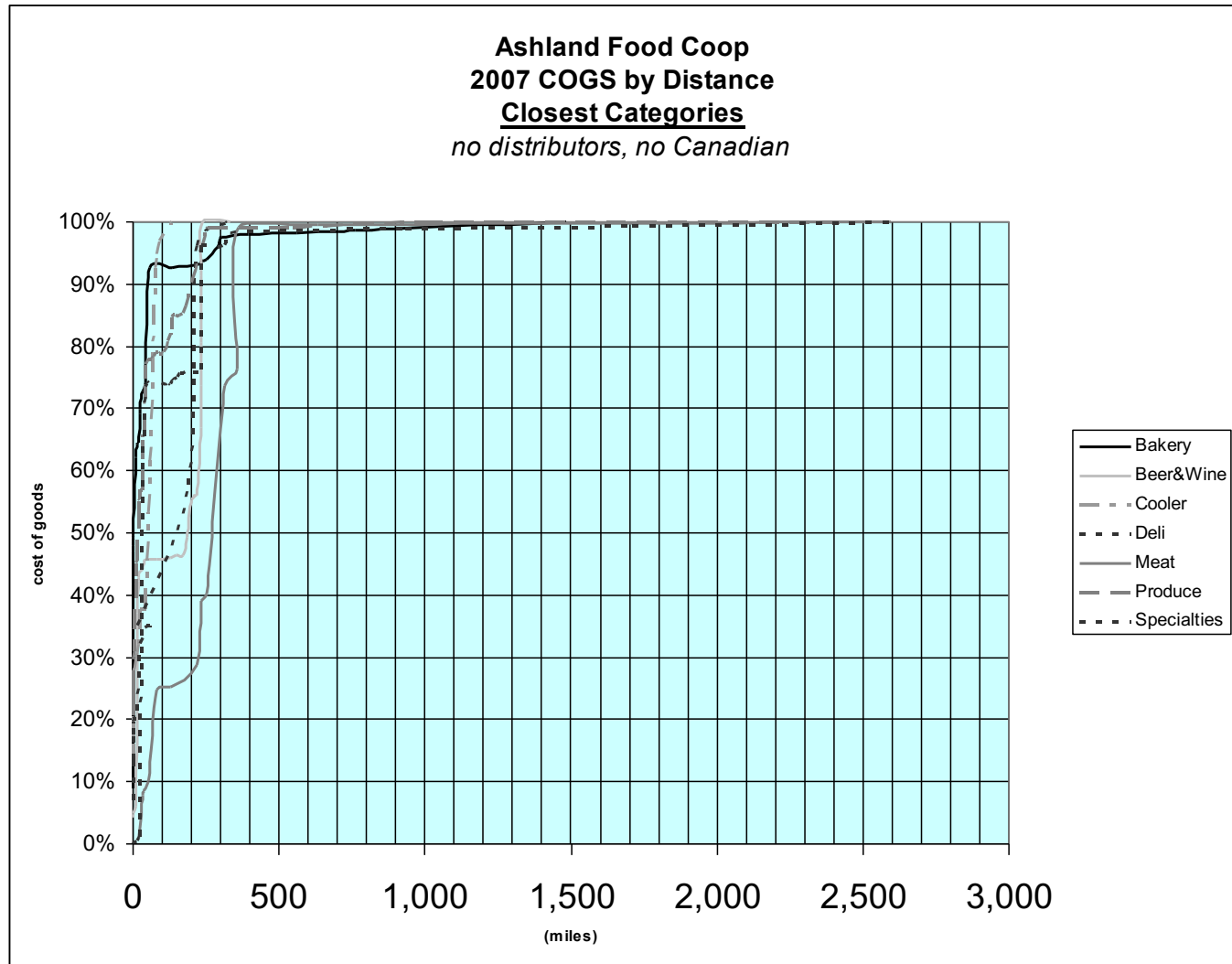
# Patterns of connection determine efficiency & resilience



# To whom do you spend your money?



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# All economy is local.



Commute + local patronage + media mkt (BEA)



Commute only (Nat'l Geographic)



Arts spending (Markusen et al)

# Defining “local” by Social Ecology



- Regional stories, narratives, beliefs, practices
- Best for grass roots mobilization & consensus  
E.g. “climate change” vs. “factory farms”  
“hybrid” vs “super-duty”
- BLM in conjunction with Kent & Priester



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