Tony Lawson, social positioning and the ontology of money

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Abstract

This extended review of Tony Lawson's book *The Nature of Social Reality* summarises some of its key arguments and identifies some of its many strengths. On the other hand, it questions some aspects of the argument, notably a tendency to neglect the causal powers of the social totalities he describes, and his denial of downward causation. Focusing on Lawson's account of the social ontology of money, with which he illustrates his theory, it also argues for an extension of the ontology to embrace the increasingly vital contributions of the artefactual components of monetary systems.

Keywords: critical realism, money, positioning, social ontology

Tony Lawson's book *The Nature of Social Reality* is an impressive overview of a philosophically coherent social ontology that he has been developing for at least a decade. The book and the earlier articles on which parts of it are based have significantly advanced critical realist thinking, particularly through his argument that social structure can generally be understood as deriving from *social positioning* of both human individuals and artefacts.

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[1] I should say that I was positioned as a member of the committee that awarded this book the 2019 Cheryl Frank Memorial Prize and also that I have been an occasional attendee at the Cambridge Social Ontology Group for many years where I have benefitted from many discussions with Tony Lawson and the other members of the group. I am also grateful to Tony for his helpful comments on an earlier draft.

The broad sweep of the argument and its central points are convincing and important although I will query some of the details and suggest some extensions below. This extended review begins by discussing the concept of positioning and its implications for our understanding of social structure, then reviews Lawson's account of the social ontology of money.

Social positioning

The concept of social positioning lies at the heart of Lawson's social ontology. He defines positioning as a process that recursively constitutes social reality through the iteration of two principles: first, a position is created within an 'existing or emerging totality or system' that is oriented to the performance of a function for the system, and second, a person or other entity fills that position, 'thereby becoming incorporated as a component of the totality or system in a manner oriented to serving a function of the wider totality' (Lawson 2019a, 12). The social relations that emerge through the process of positioning serve, among other things, to bind various people and things together as components of a totality. Lawson is particularly concerned with a class of totalities that he refers to as *human communities,* although he uses *communities* as a term of art rather than in its everyday sense (Lawson 2019a, 13). There is certainly some overlap with the everyday sense, but this strategy risks evoking associations with lay understandings that may confuse the reader. In particular, the lay concept of community implies a group of people who are linked by multiple types of interaction across multiple types of interest and concern. Perhaps some of the groups Lawson has in mind are of this type, but in other cases (see below) they are in principle much narrower and more specialised. For example, the social groups I call *norm circles*, which I take to be examples of what Lawson calls communities, may be oriented to only a single shared concern or commitment (Elder-Vass 2010, 122–127). Lawson does stress that his communities may overlap and intersect (Lawson 2019a, 47), and also distinguishes between communities *for themselves*, which fit with everyday understandings of communities as groups that "carry a sense of a *coming together* over some concerns" and communities *in themselves*, which have positional identities but without this sense of coming together (Lawson 2019a, 60). On the whole, though, I will argue that it would be clearer and more precise to adopt a more distinctive and differentiated terminology.

One of the strengths of Lawson's concept of communities is that their components may include other kinds of objects as well as human beings (Lawson 2019a, 13). This attention to the role of objects, and in particular technical artefacts, in social ontology has been an

important focus for the Cambridge group he leads, and he integrates it into his account of positioning and structure by arguing that artefacts 'obtain social identities through being socially positioned' (Lawson 2019a, 65). This process positions objects as components of social systems, just as humans are positioned in them, hence objects too contribute to the emergence and stabilisation of such systems. I particularly appreciated the point that this means that the same object can be positioned in two or more different social systems at the same time, performing different functions in each (Lawson 2019a, 66).

One of these functions is the identification of individual humans as the occupants of particular positions in communities. Uniforms, wedding rings or passports, for example, may identify the humans bearing them as police officers, married or citizens, respectively (Lawson 2019a, 67). In such cases, these objects behave as what Searle has called *status indicators* – indeed Lawson's list of examples overlaps with Searle's (Searle 1995, 85). The parallels between Searle's work and Lawson's are apparent and he himself acknowledges them, while also stressing the contrasts and using them to clarify his own position (Lawson 2019a, 32–36). Lawson shares with Searle (as I think all consistent realists should) the doctrine of ontological naturalism: that social entities are also in some sense natural entities and that the explanations of both must be compatible (Lawson 2019a, 32, 35). What differentiates his position, however, is Lawson's commitment to emergence and the ontological and causal irreducibility of higher level entities and their properties to their lower-level parts and their properties (Lawson 2019a, 34).

This difference cashes out in seeing social reality as depending not just on the speech acts of individuals, as Searle does, but on positioning by the community as a whole and thus on social structure (cf Elder-Vass 2012a, 62–69). This is also the line that separates Lawson's argument from the earlier positioning theory developed by Bronwyn Davies and Rom Harré which led to the strongly constructionist school of discursive psychology (e.g. Davies and Harré 1990). Harré's work, like Searle's, descends in part from speech act theory (Harré was a student of John Austin's) and for both, only individuals can have a causal impact on society (Harré 2002). Ascribing positioning to the influence of communities rather than to speech acts by individuals is a clear advance on this literature.

Structures and powers

Having said that, Lawson seems reluctant in this book to ascribe causal power to communities as social entities. Positioning, he argues, creates powers in the form of rights

and obligations, which he is happy to call 'social, collective or positional power', but these are not framed as powers of communities, but rather as powers 'that are granted to accepted occupants of relevant positions' (Lawson 2019a, 56). Perhaps the closest he comes is to briefly acknowledge that communities may develop collective or corporate agency (Lawson 2019a, 60). But in general, it is the members of communities that are seen as having causal power as a consequence of being positioned.

My reading here is related to what I see as an ambivalence in his more abstract discussions of emergence and causal powers. On the one hand, he says 'I do not deny that the causal powers of lower-level phenomena are contributory to higher-level ones, or that these lower-level elements are components of higher-level entities (albeit perhaps after modification …)' (Lawson 2019a, 37). He explicitly states that emergent systems have efficient causal powers that depend on both their components and how they are organised (Lawson 2019a, 39). On the other, he avoids ascribing powers to social structures in the sense of social entities, systems or totalities (as have some other realists: see Elder-Vass 2007, 466–467). One part of his argument is a terminological one. Like Searle, who uses the word structure profusely without ever acknowledging the existence of social structures, he defines structure as something that things have rather than something that things are – social structure is the features that 'relationally organise the individuals as communities' (Lawson 2019a, 61). This is a perfectly legitimate and widespread use of the concept, but it is not a good reason for denying that the term also refers to social entities: social structures as wholes or systems (Elder-Vass 2010, 80–82). Regardless of how we use the term, however, social entities like Lawson's communities are higher-level entities – totalities, or systems, to use Lawson's words – and the critical realist approach to emergence, as I understand it, entails that we should be willing to ascribe causal powers to them when we can identify mechanisms that produce those causal powers (Elder-Vass 2007).

In discussing an earlier draft of this review, Lawson has stressed that, although he pays relatively little attention to it in this book, he is indeed committed to the emergent powers of totalities (personal communication). However, we remain divided on his puzzling resistance to the idea of downward causation – the idea that an emergent whole can have a causal impact on its own parts (Elder-Vass 2012b). He invokes Hulswit's argument that it is inconsistent to say both that A causes B and that B causes A, and that downward causation violates this principle (Lawson 2019a, 215). Hulswit's argument, however, relies on a positivist understanding of causality, in which A and B are events and causality is understood

as complete determination. It falls apart once we look at causality in critical realist terms. If A and B are causal agents rather than events, and if causality is multiply determined it is perfectly coherent to say that A can have a causal influence on B and *also* that B can have a causal influence on A, indeed this is extremely common (consider feedback loops, for example). The case is a touch more complex when A is a part of B, but we must also remember that causation happens over time and it is perfectly coherent to say that B at time 1, which has A as a part, can have a casual effect on A at time 2. Indeed, there are so many common-sense examples of this occurring that it is hard to see why anyone might think it is impossible. If I were to drink too much beer tonight, for example, then my head might well ache in the morning, and it is clear that in such a case the causal power of the whole of me (including my head) to drink beer would have contributed to the state of my head the following day.

Indeed, Lawson himself offers a number of more serious cases in the course of the book that equally seem to refute the point, and some of them are fundamental to his larger argument. Above all, consider the point that communities can position people and that this affects how those people act. Given the reasonable assumption that the people positioned are parts of the community doing the positioning, this is a case of downward causation. Lawson's escape route is to argue that a whole cannot act on its parts in this way but instead we must transfer the causal responsibility to the *relations* between the parts. In the classic case of crowd behaviour, for example, he argues that it is not the crowd as a whole but 'the relational structures that organise individuals as components of the crowd' that have an effect on the members of the crowd (Lawson 2019a, 216–217). But as he argues himself, the relational structures that organise a totality emerge at the same time as the totality and 'must be regarded as a higher (not lower) level feature, and indeed a causal property of the emergent totality or entity' (Lawson 2019a, 38). If the relational structures that organise a totality are causal properties of the totality, then we cannot avoid ascribing causal power to the totality by ascribing it to the relations instead, because of the *redescription principle*:

> This is the principle that if we explain a causal power in terms of (i) the parts of an entity H; plus (ii) the relations between those parts that pertain only when they are organised into the form of an H; then because we have explained the power in terms of a combination – the parts and relations – that exists only when an H exists, we have not eliminated H from our explanation. The entities that are H's parts would not have this causal power if they were not organised into an H, hence it is a causal power of H

and not of the parts. The lower level account of H's powers merely redescribes the whole, which remains implicit in the explanation (Elder-Vass 2010, 24; also see Elder-Vass 2014)

One may equally say that it is a causal power of H and not of the *relations* – we need both relations and parts before the causal power exists, or in other words we need the whole entity. This is an argument against various forms of reductionism. What is odd in Lawson's treatment is that he uses the strategy to avoid the ascription of downward causal power to social wholes in the same book as he says that a generative mechanism "is a causal power of a structured entity in play" (Lawson 2019a, 125). As I understand it, there is thus an ambivalence – or an inconsistency – in Lawson's approach to the powers of social entities.

Positioning money

Part three of Lawson's book backs up the general argument by providing more concrete examples of positioning, applying the theory to the ontology of business corporations and money. Let me focus here on the case of money. Lawson proposes 'a *positioning theory of money*' or rather a positioning theory of '*successfully functioning*' money (Lawson 2019a, 155–156). He begins by laying out the features that identify successfully functioning money: it is 'that which possesses general debt discharging and purchasing powers' (Lawson 2019a, 156). This immediately distinguishes him from theorists who regard the unit of account function as the defining feature of money, arguing (rightly in my view) that while successful money does require a unit of account it is not the unit that has purchasing power. One might argue that the social ontology of a unit of monetary account is not significantly different than the social ontology of a unit of length or weight and thus the distinctive thing that a theory of money must explain is its generalised capacity to be used in payment.

The central questions that a positioning theory of money must answer are how certain things, whether notes, coins, bank balances or the like, come to be positioned as money and how this generates their capacity to be used in payment. Lawson offers two answers to these questions: first, money is formally established, at least in modern monetary communities, by legal tender laws, and second, to be a successful money it depends on the trust of the community (Lawson 2019a, 158–161). The first answer is weak. As the Bank of England points out for the UK, for example, 'Legal tender has a narrow technical meaning which has no use in everyday life. It means that if you offer to fully pay off a debt to someone in legal tender, they can't sue you for failing to repay… What's classed as legal tender varies throughout the

UK. In England and Wales, it's Royal Mint coins and Bank of England notes' ('What Is Legal Tender?' 2020). This does not mean that merchants are obliged to accept those notes and coins in payment, nor does it say anything at all about the bank and credit card balances that are used for most payments in most contemporary economies. Legal tender laws, in other words, are largely irrelevant to the question of what gets positioned as a means of payment, even in a formal legal sense.

Lawson's second answer is much stronger and to be fair it is the second answer he relies on in discussions of what makes a *successful* money: 'Purchasing power, in contrast, is grounded to a significant extent in the trust of community participants that … they will always be able to pass on to others the money so acquired, without any apparent loss of value' (Lawson 2019a, 166) (cf Elder-Vass 2013, 14–15). Some care is required here to use the concept of community appropriately. As Lawson recognises, the community whose trust confers the power to pay on any given monetary instrument is not a general social community like the inhabitants of a given town or country, but a specific social group, that is defined purely by this function. The Euro, for example, is accepted in many countries in the EU but not all of them, so the community for the Euro does not correspond to any national community or even the EU community. The group of people and organisations willing to accept the Euro in payment is not a community in any sense except that its members share a willingness to accept the Euro. It is not even a community that is defined by legal boundaries, since there are some people and organisations in countries that are not part of the Euro zone that are nevertheless willing to accept it in payment.

One might therefore argue that the term *community* is being asked to do too much work here – it is standing for too many different things that are in danger of being confused. As I suggested earlier, it would be more effective to use more precise terms for the different things. Lawson, for example, might benefit from calling the communities that ground purchasing power *monetary communities* to distinguish them from other kinds. I have called them *monetary circles* to further distance them from the idea of a broader sort of community that binds across multiple dimensions of interaction (Elder-Vass 2013, 16–17). None of this, however, undermines Lawson's core point that the power of money to be used in payment is a product of a kind of positioning by a social group – it is positioned by their commitment to accept it in further payments.

Concrete money

Is it enough, though, to say that the powers of money are the product of positioning by a community? If we look at real contemporary cases, it is clear that this is incomplete as an ontology of money. Consider the case of debit cards – payment cards linked to a bank account. Debit cards (or rather the bank balances that they give access to) can be used in payment partly because there is a community, to use Lawson's term, of merchants that will accept them. But the transfers enabled by debit cards will not function as money without a technological infrastructure including card readers, communication networks and computer servers that validate payment requests and an institutional infrastructure including card issuers (usually banks) and payment networks (the companies, this time, rather than the hardware) like Visa and Mastercard (Evans and Schmalensee 2005).

To put the point more generally, the capacity of any given monetary instrument to be used in payment is produced by a social structure that I propose to call a *monetary complex*, where all monetary complexes have (at least) two groups of parts: a *monetary circle or community* and a *payment infrastructure*. In cases like coins, the payment infrastructure may be very simple, and it is tempting to subsume it under the idea that coins are positioned by the community, but as monetary instruments have become more complex it has become clear that the capacity of the monetary instrument also depends on the material properties and powers of the artefactual components of the system. Perhaps anything (or at least a wide range of alternative things) could be positioned as a coin, but not just anything can be positioned successfully as a card reader or a computer server. Positioning is therefore not the only force at work: the material structures and properties of the artefactual components heavily constrain how they can be positioned, and the structure and powers of the complex in which they are positioned is dependent on those material properties. This argument is compatible in principle with Lawson's. He does argue, after all, that his communities can include artefactual components that are positioned to perform certain functions, and he has argued elsewhere that objects like bank notes and electronic account records are "positioned as additional components of the community's value accounting system" – a concept that comes close to what I have called monetary complexes here (Lawson 2019b, 113) (also see Lawson 2019a, 70).

Let me, finally, connect up this discussion of money with the discussion of structure above. As I understand it, the power to pay using a monetary instrument is a social structural power. It is a power that cannot exist unless and until people and non-human material objects are

linked together by a set of relationships, both material relationships and intentional relationships (i.e. the intention to accept a certain instrument in payment because one understands that others will do the same). Those relationships form those people and objects into a larger structure, which I call a monetary complex and which Lawson would call a community. The power to pay using a monetary instrument is therefore a causal power of the monetary complex or community for that instrument: a causal power that is delegated to the holders of monetary instruments in proportion to the face value (in terms of the unit of account) of the instruments that they hold.

Conclusion

The Nature of Social Reality is an important book that explains Tony Lawson's positioning theory clearly and persuasively. In this review I have tried to express some of the key points and point out some of their strengths. Although I have also raised a series of challenges, none of these undermines the core elements of Lawson's positioning argument. I think he is wrong about downward causation but I do not see any inherent inconsistency between downward causation and positioning theory. On the contrary positioning theory would benefit from recognising that it helps to explain not just the powers of positioned people, objects and communities but also the ways in which the powers of the larger social structures within which they are positioned act back on people – as his argument already implies that they do.

Similarly, it would seem entirely consistent with Lawson's argument to extend the ontology of money to encompass the material infrastructure that is essential to contemporary monetary systems. Given that Lawson's ontology of money is intended primarily to illustrate the positioning approach it is not unreasonable that he would focus on the positioning aspect, and no book can cover every angle on its topic. Hence my argument represents a call to extend the theory further to work better with more concrete empirical cases. This is just the sort of challenge that all successful ontological theories must face.

Notes on contributor

Dave Elder-Vass is an Honorary Fellow at Loughborough University, UK. His latest book *Profit and Gift in the Digital Economy* (Cambridge University Press, 2016) theorises appropriative practices, economic diversity and their implications for social theory and politics. He has also published extensively on social ontology and social theory from a critical realist perspective, including *The Causal Power of Social Structures* (Cambridge

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