

How is Society Possible?

Exchange, Money and the Formation of Social Order

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*Society arises from exchange, stabilizes through money,
and endures through law.*

Abstract

This paper argues that mainstream economics presupposes the existence of an economic system and thereby abstracts from the social forms through which it is constituted. By modelling the economy as a problem of choice and equilibrium, it treats the economic space as already given. Exchange and money then appear as secondary mechanisms or technical instruments rather than as constitutive operations.

Against this view, the paper develops a catallactic perspective. It distinguishes between *economizing* and the *economy*: economizing follows a dyadic logic in which an actor relates ends to scarce means, whereas the economy is a triadic structure in which actors relate to one another through objects and money. Exchange is therefore not a derivative mechanism of allocation but the elementary operation through which separate economic spaces are connected and transformed into a common economic space. In exchange, unequal things are set equal for the purpose of a transaction; money generalizes this act of equating by providing a common medium in which heterogeneous goods, services, claims, and obligations can be expressed, compared, and connected.

The central thesis is that modern society is not merely accompanied by exchange and money but is constituted through them. Exchange creates the social relation, while money gives this relation generality, continuity, objectivity, and order. A modern economy is therefore best understood as a catallactic order: an open, monetary, and institutionally stabilized system of cooperation among autonomous actors.

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1. Prerequisite for society: transforming strangers into partners

Society emerges from the ways in which strangers become connected—and the most fundamental of these connections is monetary exchange.

How is society possible? Georg Simmel's famous question concerns the conditions under which a plurality of individuals can form a stable and enduring social order. Such an order is far from self-evident; it is a highly improbable achievement that requires explanation.

The improbability of society has long been recognized. In *Leviathan* (1651), Thomas Hobbes argued that social order is inherently fragile, its natural tendency being a "war of all against all." Adam Smith (1776), by contrast, adopted a more optimistic view. He identified the human "propensity to truck, barter, and exchange" as a natural basis for social cooperation. Yet while Smith treated this propensity as an anthropological constant, Simmel—writing around 1900—shifted attention to the cultural and symbolic conditions that make exchange possible in the first place. For him, social formation is not a given but an achievement. (Simmel 1900, 1908)

This line of thought was further developed by Alfred Schütz. In *The Phenomenology of the Social World* (1932/eng. 1967), Schütz emphasized the fragility of interaction and mutual understanding, arguing that society remains permanently precarious and, in a fundamental sense, improbable. Niklas Luhmann later reformulated this insight in *Social Systems* (1984). Following Parsons but departing from action theory, he defined society as communication—communication that is doubly contingent, dependent on being understood, accepted, and continued. For Luhmann as well, society is improbable. The central question therefore becomes: how has it nevertheless become possible?

This question gains force when viewed against the long arc of human history. *Homo sapiens* has existed for nearly 200,000 years, yet the size of the human brain—and thus individual cognitive capacity—has changed little. What has changed dramatically is what may be called collective intelligence: the capacity that arises from the forms of social organization and interdependence humans enter into.

Human history is often narrated as a sequence of technical inventions. But these inventions were themselves enabled by new forms of cooperation that expanded productive capacity far beyond what individuals could achieve alone—or, stated negatively, by forms of social organization that progressively overcame the anthropological constraints limiting the scale of human societies. This long process, which may be described as civilization, marks the "great transformation" that elevated humanity to new material and cultural levels, even as it brought

profound disruptions and suffering in many regions (Polanyi 1944). It continues to shape societies today.

When I speak of society, I refer to large-scale cooperation—cooperation among strangers. This understanding aligns with classical sociological distinctions between communities based on proximity and kinship and broader societal formations based on voluntary relations, contracts, and functional interdependence (Tönnies 1887; Durkheim 1893).

The remainder of the paper proceeds as follows. Section 2 introduces the shift from the dyadic logic of choice to the *triadic structure of exchange*. Section 3 reconstructs *exchange* as the elementary form of economic coordination and shows how money generalizes the act of equating unequal things. Section 4 develops the concept of the catallactic order as a monetary order of cooperation among autonomous actors. Section 5 discusses the civilizational and moral significance of exchange and money and clarifies its relation to capitalism. Section 6 draws the theoretical consequences for economics by showing how dyadic precision was achieved at the cost of losing the catallactic dimension. The conclusion interprets modern society as an institutionally stabilized catallactic order.

2. A change of perspective

2.1 Homo oeconomicus and economic order

Lionel Robbins famously defined economics as the science that studies human behaviour as a relationship between ends and scarce means with alternative uses. As a definition of *economizing*, this formulation is precise and compelling: it captures the logic of an isolated actor who compares alternatives and allocates scarce resources efficiently.

The problem arises only when this dyadic logic is projected onto the economy as a whole. Robbins' definition describes an individual economic space—one actor relating ends to means. A market economy, however, is not simply a scaled-up version of this decision problem. It consists of *multiple separate economic spaces* that must first be connected.

Mainstream economics typically bypasses this constitutive question. Instead of examining how a common economic space is formed, it models interdependence as a comprehensive calculus of given alternatives, given constraints, and given prices. In its most refined expression—General Equilibrium Theory—economic order appears as a system of optimization problems coordinated by an implicit auctioneer or accounting mechanism. As Clower (1995) noted, orthodox theory

lacks a genuine account of markets as institutions; it treats exchange as if it were already coordinated by an overarching device.

The central question therefore becomes: *through which social forms do separate actors become interconnected?* How do individual spheres of ends and means become integrated into a coherent economic order? If society's scarcity problem is formulated as an optimization problem, theory must implicitly introduce an instance standing above society—a Walrasian auctioneer, a central planner, or an equivalent mechanism. This construction does not explain how interdependence is generated; it merely presupposes it.

A social science of the economy cannot adopt this shortcut. Society is not a single subject solving an optimization problem. It is a contingent and continuously reproduced nexus of relations among autonomous actors. The task is therefore to understand how these actors become connected in ways that allow a relatively stable and coherent economic space to emerge.

The following sections show that exchange and money play a constitutive role in this process.

2.2 Economies are triadic realities; economics constructs dyadic models

The distinction between economizing and the economy can be formulated more precisely as the difference between *dyadic* and *triadic* theoretical constructions.

Dyadic reasoning relates a subject to objects: an actor disposes of scarce means, compares alternatives, and chooses the option that best serves his ends. Mill (1848) had already reinforced this dyadic tradition by arguing that exchange does not alter the laws of economics and by dismissing the proposal to define economics as catallactics as a “blunder.” The dyadic logic is mathematically tractable and intuitively familiar, but it cannot explain how an economic order arises. It lacks the relation between subjects; it lacks society.

A *triadic construction*, by contrast, incorporates the interactions and social forms through which actors become connected. It recognizes that modern economic actors operate within the money form, which expands and disciplines their rationality by providing a medium in which values can be expressed, compared, and communicated.

The persistence of dyadic thinking is understandable. It mirrors everyday experience and lends itself to formalization. Yet when applied to society, it becomes misleading. It obscures the endogenous dynamics through which social coordination emerges. It encourages a division of labour in the social sciences in which economics loses its social-theoretical foundation and sociology loses the economic dimension. Most importantly, it excludes the very idea of *order*.

Only triadic reasoning reaches the level at which societies can be understood as systems of relations among autonomous actors. The order that emerges from these relations—what I call the *catallactic order*—derives its coherence from exchange as the elementary form of social linkage and from money as the medium that generalizes and stabilizes this linkage.

Without exchange and money, there may be communities, tribes, organizations, or rulers. But there is no open, large-scale society of strangers capable of coordinating scarcity, autonomy, and interdependence without being organized as a single collective subject.

3. Exchange: the elementary form of social coordination

3.1 Exchange as the elementary operation

The argument developed so far implies that society must be understood through the operations that constitute it and through the media these operations require. In the economic sphere, the elementary operation is *exchange*. Exchange is not simply the transfer of goods; it is a peaceful and reciprocal way in which subjects relate to one another through objects.

This is its civilizing significance. Exchange transforms the structure of action. It replaces one-sided taking with the requirement of giving and receiving. If EGO wishes to obtain something from ALTER, he must offer something in return. ALTER is therefore not merely an obstacle or a source of supply, but a subject whose consent must be secured. In this elementary sense, exchange presupposes reciprocity, objectification, mutual recognition, and the restraint of immediate impulses. As Simmel already observed, exchange is not only an economic act but a form of socialization.

In the economic sphere, this form is foundational. Individuals do not merely act upon objects; they relate to one another by exchanging them. Exchange is the operation through which strangers become economic partners while remaining autonomous. It is therefore the elementary act through which economic relations are formed.

3.2 Exchange: equating unequal things

The constitutive role of exchange becomes visible when its formal structure is examined.

Exchange involves two subjects and two objects. Each party desires what the other possesses and expects to be better off after the transaction. This expected

advantage is important, but it is not the decisive formal feature. The decisive feature is *equating*.

Formally, an exchange can be expressed as:

$$x \text{ units of good A} \equiv y \text{ units of good B}$$

In every act of exchange, unequal things are *set equal*. The sign “ $\equiv$ ” indicates that the equality does not pre-exist; it is *performed* by the act of exchange. Without this act of equating, the goods could not be transacted.

Through exchange, two things occur simultaneously: a *value form* arises, and a *value magnitude* is established. Before exchange, values exist only as subjective intensities of desire. These subjective valuations have no dimension and are not communicable. Exchange gives them a recognizable, material or quasi-material form. It does not make value objective in a strong sense; it makes subjective valuations *expressible*.

In barter, however, this value form remains particular. Each exchange creates its own expression of value. The value of good A is expressed in good B, good M in good N, and so on. Barter is restricted by the need for a bilateral coincidence of wants, and no coherent pattern of values can emerge. It is therefore not yet a form from which a general economic order could develop.

EGO must find an ALTER who wants exactly what EGO offers and offers exactly what EGO wants. This condition is extremely restrictive.

3.3 From barter to money: the generalization of the value form

The decisive consequences of exchange appear only when the act of equating is generalized through money. In monetary exchange, the exchange equation takes a new form:

$$x \text{ units of good A} \equiv y \text{ units of money}$$

The values of goods are now expressed in quantities of one and the same object, denominated in one and the same unit. Money does not change the elementary nature of exchange; exchange remains the act of obtaining something by offering something in return. But money generalizes this act. It transforms the particular value expressions of barter into a general value expression.

Heterogeneous goods, services, claims, and obligations can now all be expressed in a common unit. Money becomes the general value form.

This is the point at which commensurability enters. Goods are not commensurable by nature. They become commensurable through the act of equating, and they become generally commensurable only when they are exchanged against money.

Money is therefore not merely a technical convenience. It is the form through which society connects its economic interactions. Because money appears as a separate entity, actors can compare costs and returns in a rational manner.

This also clarifies the problem of abstraction: abstraction originates in exchange, and monetary exchange radicalizes it.

Marx was right to see that commodity exchange involves abstraction, but he located this abstraction in labour. Abstraction does not originate in labour; it originates in *exchange*, and above all in *monetary exchange*. Barter already contains a basic form of abstraction; monetary exchange radicalizes it by equating all goods to an abstract social object.

Marx saw in the commodity-money relation the germ of the capitalist monetary economy. In this respect, the present argument follows him. But it interprets the transformation differently. For Marx, the commodity-money form was primarily the starting point of alienation. For the present argument, it is the starting point of **civilization**: the only social form through which a large-scale society can cope with scarcity.

A society cannot coordinate scarcity through immediate solidarity, personal obligation, or a single collective will. It requires objectified forms of access, valuation, comparison, calculation, and payment. The commodity-money form is therefore the foundation of civil order. It enables autonomous actors to relate peacefully, to objectify values, to calculate, to pay, and to coordinate their actions without being united in a single plan.

The following section traces how this civilizing and order-forming process unfolds.

4. From commodity-money operations to civil order

4.1 The formation of the economic space: comparison, calculation, access

Commodity–money relations presuppose and generate an operational infrastructure. They require a socially valid monetary unit—historically established through political authority, coinage, legal tender, and institutional stabilization. This alone indicates that markets and the state, however different their operating principles, must cooperate if a modern society is to function.

Knapp (1905) was therefore correct in characterizing money as a creation of the state and as a legal act. However, this legal act serves to enable commodity–money relations—that is, civil society. Only when these relations develop can the state finance itself. The state must not only define the unit of currency, but should

also be the sole institution authorized to create it. (Fisher 1935, Huber 2022, Dietz 2024).

Money performs four constitutive functions.

Money creates commensurability. By equating goods of different qualities—material, functional, temporal, spatial, or symbolic—with money, they acquire prices that make them quantifiable and comparable. A house, a coat, a medical service, a debt, a salary, and a machine are not naturally commensurate. They become commensurate when expressed in monetary terms. This quantitative dimension does not negate quality; it adds a dimension indispensable for society's ability to cope with scarcity.

Money creates calculability. Once goods are expressed in a common unit, actors can calculate costs, revenues, income, losses, profits, debts, capital, and risk. Calculation is not merely an anthropological capacity; it is socially expanded and disciplined by the money form. This gives participants the reassurance needed to take on the risks of cooperation.

Money functions as a medium or hub. Because all goods can be exchanged against money, and money against all goods, everything can in principle be related to everything else.

Money accelerates access. Under autarky or barter, access is extremely restricted. Money dissolves these restrictions. It allows actors to move from one good, service, or opportunity to another through a generally accepted medium. Access becomes faster, more flexible, and less dependent on local conditions.

The result is the emergence of a common and, to some extent, coherent economic space — a space that is not given but generated through bilateral commodity-money relations.

Mainstream economics assumes such a space in its concept of equilibrium—complete markets, given alternatives, perfect information, zero transaction costs. Equilibrium is then derived from exogenously given data. This is a top-down construction: it begins with conditions that can arise only through social processes, yet can never attain the perfection assumed by theory.

A catallactic perspective reverses this approach by examining how information is generated through exchange, how scarcity becomes visible in monetary signals, and how money expands and accelerates access.

But monetary exchange produces more than economic coherence. By organizing access through payment, contract, and reciprocal recognition, it also creates a specific form of sociality. Its effects are not only allocative but civil, moral, and institutional.

4.2 Social effects: freedom, openness, autonomy

The following characteristics are typical of monetary market societies. Although presented separately, they are closely interconnected.

Society building. Monetary exchange enables cooperation among strangers. Participants need not share kinship, locality, religion, or a common plan. They need only be able to enter monetary exchange relations.

Mitigation of conflict. Access to goods depends on payment, not on violence, status, kinship, or command. Rivalry becomes indirect: either you obtain the object, or I do. Payment pacifies rivalry and channels it into productive competition, stimulating production.

Continuity. Money gives exchange continuity. Barter transactions may end in use; monetary transactions always refer to future transactions. Money makes exchange recursive.

Openness. Participation is open in principle. Opportunities are unequal, but access is not tied to inherited status or command structures. Monetary exchange opens society beyond personal relations.

Autonomy. Monetary exchange allows individuals to manage their economic affairs autonomously. Although it deepens material dependence, it transforms individuals into economically autonomous subjects who allocate their financial resources according to their own priorities.

Scalability. Money allows actions to be scaled to any size—from fractions of a unit to billions. This flexibility is impossible in moneyless economies.

Freedom. The freedom of contract leads to a free society, just as such a society is a prerequisite for individual freedom.

Taken together, these effects show that monetary exchange does not merely allocate goods but generates a distinctive form of sociality.

4.3 Properties of catallactic order

The central achievement of the catallactic order is its capacity to cope with scarcity on a societal scale — a capacity grounded in continuous adaptation and correction.

Prices, profits, losses, shortages, surpluses, payments, and expectations feed back into further action. The market process is therefore not the execution of a solution already contained in the data. It is an ongoing process of orientation, adjustment, learning, and correction. In this sense, the catallactic order may be described as semiautopoietic: it arises spontaneously from exchange operations, yet it also requires the consciously ordering hand of law, politics, and the state.

Taken together, these processes make the economic order *self-referential*. Actors are not only confronted with a natural environment; they are also confronted with an internal social environment generated by monetary exchange itself. They observe prices, payments, reactions, expectations, and the conduct of other actors. They also anticipate being observed in turn. The market process is therefore neither the execution of a solution already contained in the data nor merely an adaptation to something given. It is an ongoing process in which the economy creates its own internal environment of orientation, learning, and correction.

From a dyadic perspective—which typically assumes perfect information and foresight—this dynamic appears absurd. Money seems to be an unnecessary complication. The triadic perspective, however, shows that scarcity on a societal level cannot be managed in any other way.

5. The Catallactic Order

5.1 The double triad: exchange, money, and other forms of socialization

The catallactic order can be formally characterized as a double triad: exchange as the elementary operation that links actors, and money as the suprapersonal institution that generalizes and stabilizes this linkage.

Commodity-money relations also provide a form of synthesis that can be generalized more fully than most other forms of social integration. Many institutions remain tied to particular communities. Language unites those who speak it but separates them from those who do not. States integrate their own citizens while drawing boundaries against outsiders. Religions create powerful collective identities, yet history shows that these identities may also divide societies and give rise to conflict. Their integrative capacity is extensive, but not universal.

Commodity-money relations differ fundamentally because their logic is, in principle, independent of language, nationality, religion, ethnicity, or culture. They constitute a universalizable mode of social integration whose reach extends beyond the boundaries of particular communities.

5.2 Exchange, payment, and morality

Exchange disciplines access to goods through reciprocity, consent, and payment. This does not mean that every exchange is just, free of power, or morally sufficient. But it does mean that exchange has a *civilizing structure*. It replaces direct seizure with agreement, violence with counter-performance, and immediate rivalry with payment. The other is recognized as someone whose possession cannot simply be overridden. Exchange also pacifies direct rivalry over goods.

In this elementary sense, exchange is a *primary school of morality*. It generates minimal but indispensable moral expectations: reliability, contractual fidelity, predictability, reciprocity, and respect for possession.

The catallactic order does not merely consume moral resources produced elsewhere (Böckenförde 1976: 60); it also produces elementary forms of civilized conduct. These forms are not sufficient to raise humans to a moral level that meets today's standards. Economic activity must be embedded in broader understandings of responsibility, justice, and human dignity (Ulrich 2016). But without exchange and money, modern civil society would lack one of its most basic moral infrastructures.

5.3 Catallaxy and “capitalism”

The term “capitalism” is analytically imprecise because it suggests a unified societal formation governed by a single principle. Catallactic theory proceeds differently: it begins not with an ism, but with the operation.

The relevant operation is the monetary metamorphosis $G-W-G'$ — the private advance of capital with the aim of earning more money. This operation is not an ideology but a structural element of the commodity–money form. It is one moment within the broader sequence $W-G-W-G-W-G\dots$, and it cannot be eliminated without dismantling the very mechanisms through which modern societies coordinate scarcity — catallaxy.

Every market economy contains capitalist operations. In this sense, all market economies have capitalist features; there is no non-capitalist market economy. Even if money were abolished, the problem of intertemporal calculation would not disappear. Individuals and communities would still have to decide whether expenditures, efforts, and investments whose effects lie in the future are worthwhile. The monetary form, however, makes this problem explicit and quantifiable; through it, the function of intertemporal calculation becomes autonomous and confronts people as capital.

If the term “capitalism” has analytical value, it can only refer to historical situations in which the $G-W-G'$ operation becomes unusually dominant, penetrates many spheres of life, and combines with other elements — war, monopoly, state power, ideology — to form distinctive historical configurations such as war capitalism, Manchester capitalism, welfare-state capitalism, or neoliberal capitalism.

The operation itself is ancient. What is new is not its existence, but its societal entrenchment. For most of human history, economic life was organized around self-sufficiency, tribute, and command. Capitalist operations existed, but as exceptions. Modernity is the period in which the catallactic order became

established and, with it, capitalist operations gained in significance. At the same time, other institutions necessarily expanded as well—above all the state, whose growing importance helped contain and regulate the capitalist tendencies that accompany catallaxy.

Catallactics therefore helps to clarify the concept of capitalism. It shows that capitalist operations are structural components of catallaxy rather than dispensable historical accidents. What requires critique is not their existence, but their excessive, insufficiently embedded dominance. Markets contain capitalist elements, but they are not reducible to capitalism; they are catallactic institutions grounded in exchange and money.

5.4 Positioning the argument

The position developed here stands in clear contrast to neoclassical standard economics. Neoclassical theory does not explain the emergence of the economic space; it conceives of it as a space of an all-encompassing calculus. A catallactic perspective reverses this orientation: it asks how such a space is constituted from below — through exchange, money, price formation, and the objectification of value relations.

This approach does not arise in a vacuum. It builds on insights developed by Marx, Simmel, Hayek, Luhmann, Buchanan, and others, while reinterpreting them from the standpoint of exchange and money as constitutive forms of social order.

Marx interpreted commodity–money relations primarily as expressions of alienation, domination, and inversion. He did not reflect on their indispensability for the functioning of society or on their role in constituting a coherent economic space.

Simmel, by contrast, emphasized the *civilizing role of exchange* and money in the process of socialization. For him, money is not merely an economic instrument but a form of objectification through which modern society becomes possible.

Luhmann extended this line of reasoning by analysing money as a communication medium that stabilizes expectations and reduces complexity. He developed a general theory of society as a self-referential system and analysed money as a communication medium. Yet by defining payment rather than exchange as the elementary operation of the economy, he did not fully reconstruct the triadic structure in which subjects relate to one another about objects through money.

Hayek's contribution lies in his critique of the centralizing implications of equilibrium thinking. By emphasizing the dispersion of knowledge and the information-saving function of the price system, he moved beyond the fiction of a

central allocator. Yet he did not derive the price system from the act of equating and from money as the general value form.

Buchanan pointed in a similar direction when he urged economists to shift their attention from a static theory of choice to a catallactic perspective. His question—what should economists do?—can be answered more radically: economists should study the social forms through which choices become mutually connected.

The present argument takes up these insights but gives them a different foundation. The starting point is not choice, labour, information, communication, or payment taken in isolation. The starting point is *exchange as an act of equating, generalized through money*. Only from this elementary operation can the modern economy be understood as a catallactic order: an open, monetary, self-reproducing system of cooperation among mutually unfamiliar actors.

6. Dyadic precision and triadic realism

Modern economics achieved extraordinary analytical precision by focusing on dyadic relations — the relation between an actor and scarce means. Yet this precision was purchased at the cost of losing sight of the triadic structures through which economic order is actually constituted. Dyadic reasoning isolates the subject and relates it to objects. Triadic reasoning relates subjects to one another about objects — and, in modern economies, through money. Only the triadic level captures the constitutive social operations that generate an economic order.

6.1 The suppression of the catallactic dimension

Neoclassical theory abstracts from the constitutive role of exchange. It treats prices, alternatives, and constraints as given data, not as results of social operations. By modelling the economy as a system of optimization problems, it suppresses the catallactic dimension — the formation of economic interdependence through exchange and money. This suppression is not accidental. It follows from the dyadic starting point: once the economy is conceived as a calculus of given data, the question of how these data arise disappears.

The catallactic dimension is suppressed in three ways:

1. **By presupposing a common economic space.** Equilibrium theory assumes complete markets, given prices, and perfect information — conditions that exist only because exchange and money have already constituted an economic space.
2. **By replacing exchange with an auctioneer.** The Walrasian auctioneer coordinates all choices without any actual exchange taking place. This device eliminates the very operation that constitutes economic order.

3. **By treating money as neutral.** Money is assumed not to affect preferences, constraints, or outcomes. This assumption removes the general value form through which economic coordination becomes possible.

6.2 Equilibrium without exchange

Equilibrium theory describes a state in which all plans are mutually compatible. But this compatibility is not generated by exchange; it is assumed. Equilibrium is therefore not a social process but a mathematical construction. In reality, actors do not face given prices; they face payments, offers, counteroffers, uncertainty, and expectations. They observe each other, anticipate reactions, and adjust their behaviour accordingly. This recursive, self-referential dynamic cannot be captured by dyadic models.

6.3 Why money is not a later addition

Orthodox theory treats money as a veil — a convenience that simplifies transactions but does not affect the underlying logic. Mises (1924) had already criticized this neutralization of money, and later argued (1931) that the progress of economic theory had been achieved by abstracting from exchange and money — a move that obscures the constitutive role of both.

This view is untenable. Money is not added to an already existing economic order; it is the medium through which such an order becomes possible. Money generalizes the act of equating, creates commensurability, expands calculability, accelerates access, and stabilizes expectations. Without money, there is no coherent socio-economic space.

6.4 From pure economics to order

A catallactic perspective shifts the focus from choice to order. Pure economics studies how an isolated actor allocates scarce means. Catallactics studies how autonomous actors become connected through exchange and money, forming a coherent economic order.

This shift has three consequences:

- Economics becomes a social science: it must explain how interdependence is constituted, not merely how choices are made.
- Money becomes foundational: it is not a technical instrument but the general value form that makes economic coordination possible.
- Exchange becomes the elementary operation: it is the act through which separate economic spaces are connected.

Only by restoring the catallactic dimension can economics understand the emergence, stability, and dynamics of modern society.

7. Conclusion: Modern Society as Catallactic Order

Modern society is not merely accompanied by exchange and money; it is constituted through them. Exchange is the elementary operation through which autonomous actors become connected while remaining independent. Money generalizes this operation, stabilizes it, and expands it into a coherent economic space. Together, they form the catallactic order — an open, monetary, and institutionally supported system of cooperation among strangers.

This order is not a natural state of affairs. It is a civilizational achievement. It transforms rivalry into productive competition, replaces direct seizure with reciprocal performance, and enables large-scale cooperation without requiring shared kinship, locality, or a collective plan. It generates commensurability, calculability, access, and continuity. It also produces elementary moral expectations: reliability, reciprocity, contractual fidelity, and respect for possession.

The catallactic order is semiautopoietic. It arises spontaneously from exchange operations, yet it also requires institutional stabilization through law, politics, and the state. Markets do not function without a monetary unit, enforceable contracts, and legal guarantees of property and payment. The state, in turn, depends on the monetary economy for its own financing and capacity to act.

Understanding modern society therefore requires a shift from dyadic to triadic reasoning. Dyadic models explain economizing; triadic models explain the economy. Dyadic models describe choice; triadic models describe order. Dyadic models relate subjects to objects; triadic models relate subjects to one another through objects and money.

A catallactic perspective reveals the constitutive role of exchange and money in forming the economic space. It shows that scarcity cannot be coordinated through solidarity, command, or a single collective will. It requires objectified forms of valuation, comparison, calculation, and payment. These forms do not merely allocate goods; they generate a distinctive form of sociality.

Modern society is therefore best understood as a catallactic order: a monetary, open, scalable, and continuously self-correcting system of cooperation among autonomous actors. It is the civilizational infrastructure through which large-scale social coordination becomes possible.

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