

Anders Ögren October 4, 2007

# EconomiX



## Workshop I: Paper Money in Theory and Practice (XVII – XX Centuries)

at Université Paris X – Nanterre October 23, 2007

Maison Max Weber (Bâtiment/Building K) Conference Room K (Ground Floor)



### Workshop organizer

Anders Ögren: *EHEF – Institute for Research in Economic and Business History at the Stockholm School of Economics and HTE EconomiX Paris*

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## **Introduction**

Paper money and monetary systems based on paper money is more or less standard in most parts of the world today. Economic theory in the form of neo-classical theory has regardless of this not succeeded in providing an explanation for the emergence and continuous acceptance of fiat money.

We know that paper money as well as fiat money has been used and theorized to a large extent in European history. Paper money was for instance issued by the Swedish state from the middle of the 17th century. Paper money was widely used during the era of John Law in France. And many seminal thinkers in the European tradition were theorizing regarding the use and existence of paper money (such as Law, Cantillon, Turgot, Mollien, Coquelin, Juglar, Hume, Smith and Thornton).

This project aims to find a scientifically viable explanation for the existence and acceptance of paper money and paper monetary systems (i.e. fiat monetary systems). Thus we will focus on the development of monetary systems and monetary theory regarding paper money by combining empirical research with research on history of economic thought on money and credit. The reason for this is that theories as well as empirics in history on paper money and monetary systems using paper money (including pure fiat monetary systems) are largely unexplored in a systematical manner.

Needless to say this start up workshop of the project “*Paper money in Theory and Practice*” is organized precisely with the intention to change that. By exploring common features and building a framework for our continuous research we aim to provide a deeper understanding of the nature of paper money, fiduciary money and fiat money in particular.

## Program (preliminary)

9 – 9.20 <i>Coffee</i>
<b>9.20 – 9.30 Workshop Opening (Anders Ögren)</b>
<b>9.30 – 11 Session 1:</b> <i>Problems of Liquidity and Value I – Coins, Fiduciary Coins and Paper Money</i>  Carlos Álvarez Nogal, <i>Universidad Carlos III de Madrid</i> “ <b>The Spanish Monarchy’s Monetary Problems in the Seventeenth Century: Small Change or Foreign Credit</b> ”  Massimo Amato, <i>Bocconi University, Milan</i> : “ <b>Fiduciary Coins and Recoinage: The English Great Recoinage in 1696</b> ”  Claudia de Lozanne Jefferies: <i>AIU London and City University, London</i> “ <b>Ideas on Paper Money as Means of Reducing Transportation Costs in XVII Century Spain</b> ”
11 – 11.30 <i>Coffee Break</i>
<b>11.30 – 12.30 Session 2: Chair Jean Cartelier</b> <i>Problems of Liquidity and Value II – Paper Money Systems in Theory and Practice</i>  Luca Fantacci, <i>Bocconi University, Milan</i> : “ <b>John Law's monetary projects for the House of Savoy, 1711-1715</b> ”  Anders Ögren, <i>EconomiX, Paris and EHEC/Stockholm School of Economics</i> “ <b>Fiat Monetary Systems in Theory and Practice in Eighteenth Century Sweden</b> ”
12.30 – 14 <i>Lunch</i>
<b>14 – 15.30 Session 3: Chair Loïc Charles</b> <i>Theories on Money and Banking</i>  Ludovic Desmedt, <i>Université de Bourgogne, Dijon</i> : “ <b>Two contending views about fiduciary money in XVIIIth century Ireland: J. Swift and G. Berkeley</b> ”  Carl Wennerlind, <i>Barnard College, Columbia University, New York</i> : “ <b>Hume’s Ideas on Paper Money: Some Preliminary Findings</b> ”  Laurent Le Maux, <i>EconomiX, LED Université Paris 8</i> : “ <b>Cantillon’s Banking Principle</b> ”
15.30 – 16 <i>Coffee Break</i>
<b>16 – 17 Session 4: Chair Bruno Théret</b> <i>Paper Money and Monetization in Theory and Practice</i>  Torbjörn Engdahl, <i>Uppsala University</i> : “ <b>Making Better Money: Bank Notes vs. Assignations in XIXth Century Sweden</b> ”  Patrice Baubeau, <i>IDHE, Université Paris X – Nanterre</i> : “ <b>The Note Issuance of Banque de France in the XIXth Century</b> ”
<b>17 – 17.30 Concluding Discussion</b>

## **Participants (preliminary)**

Massimo Amato: *Bocconi University, Milan*

Patrice Baubeau: *IDHE, Université Paris X – Nanterre*

Vincent Bignon : *IUFM Créteil, EconomiX, Université Paris X – Nanterre*

Jérôme Blanc: *LEFI, Université de Lyon 2*

Jean Cartelier: *EconomiX, Université Paris X – Nanterre*

Loïc Charles: *EconomiX, INED, Université de Paris II – Panthéon Assas*

Guillaume Daudin : *Sciences Po Paris/ Chaire Finances Internationales*

Ludovic Desmedt: *Cemf/LEG, Université de Bourgogne, Dijon*

Torbjörn Engdahl: *Uppsala University*

Luca Fantacci: *Bocconi University, Milan*

Claudia de Lozanne Jefferies: *AIU London and City University, London*

Ludovic Julien: *Université Paris X – Nanterre, EconomiX (Head of HTE), IRES (Louvain-la-neuve)*

Laurent Le Maux: *EconomiX, LED Université Paris 8*

Carlos Álvarez Nogal: *Universidad Carlos III de Madrid*

Anders Ögren: *EconomiX, Paris and EHFF/Stockholm School of Economics*

Lars Fredrik Øksendal: *Norwegian School of Economics and Business Administration, Bergen*

André Orléan: *Paris School of Economics / Paris-Jourdan Sciences Economiques*

Angelo Riva : *IDHE Université Paris X, DEAS Milan University*

Bruno Théret: *CNRS – Université Paris Dauphine*

Carl Wennerlind: *Barnard College, Columbia University, New York*

**Financial Support** to this workshop has also been provided by *Laboratoire IDHE Paris X – Project Codisyna funded by the Agence National de la Recherche (ANR)*