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An Ontological Inquiry into the Danish Bank

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Abstract

The purpose of this thesis is to study the ontological conditions of contemporary banking in Denmark. The purpose of this is to lay a foundation of knowledge that enables appropriate actions when banks are faced by challenges, both current and future. The thesis uses the definition of banking as it is presented in Dansk Bankvæsen from 2011, where banking is presented as four services: Capital Provision, Payment Solutions, Wealth Management and Customer Advisory. Another point of banking is added by the authors, is that of Money Creation. We will be using contemporary cases from amongst the largest banks in Denmark (Group One banks), including the case of Flexinvest Fri and MobilePay, while also discussing the effects of negative interest rates on banking in Denmark. The thesis uses works by Martin Heidegger and Dominik Heil to analyse each of the five services listed above to answer the question: "What is at work in the work of the bank." The study finds that what is at work in the work of the bank is *money*. Using Heideggerian concepts, the thesis then studies how the entity of money has become something that has both become easier to use through new technology, but has also been made more abstract by the same mechanisms.

1.0 Motivated by scandals

The global financial sector has been something of a vortex of scandals that never fails to garner attention to itself. Especially the banking sector seems to be at the heart of this vortex, becoming a sector that attracts ever more attention to itself since the financial crisis in 2008. There have been several blockbuster movies made about particularly the American banking sector, such as "Wolf of Wall Street", "The Big Short" and others. In Denmark, we haven't had any major films about the banking sector as of yet, but the banking sector is still having a presence in the minds of many Danish citizens. It is a sector that has come under strict scrutiny by the Danish state, and polls show that people hold an all-time low level of trust towards the banking sector, showing that seven out of ten Danes has less confidence in the banking sector than five years ago.[1] This should come as no surprise as during the last ten years the banking sector has drawn increased attention to itself, to say the least. Especially in Denmark where the largest bank, Danske Bank, was caught money laundering about 1,500 billion DKK in a single branch, it operated in Estonia during the period from 2006 up until 2018. An absolutely massive amount of money that was brought into the "white economy" from suspicious individuals and companies. This scandal resulted in not just the facilitating of the illicit activities but contributed to the loss of five billion DKK the Danske Bank's profit from 2018 and a net loss of 11.000 customers, equating to 0,8% of the banks total mass of customers. We were intrigued by this sector that seems to keep getting in the deep water. These scandals have emerged in an era where banks are confronted by completely new challenges, innovations and demands. "Business as usual" is a business that is no longer relevant. In order to face these new challenges, banks are forced to transform their organizations and values. Deutsche Bank is an example of the transformation of the organization. It has just announced that they are going to fire about 18.000 personnel, primarily in their investment departments. Signifying a withdrawal from their operations on Wall Street and complete

[1] Andersen, L. (2019, September, 1)

make-over of their investment strategy. These examples are to show that we see a banking sector that is facing tough times. There are plenty of examples of banks that making sweeping organizational change, firing and dialling bank especially their investment department. In 2017 Nordea fired over 6,000 employees, nearly cutting 20 percent of their employees in one go.[2] This year it was announced that Nordea's plan for cutting cost towards 2022 involves moving a lot of their staff to Poland. They plan to have about 20 percent of their staff located in Poland at that time.[3]

These scandals and massive layoffs made us believe that the banking sector was in grave trouble, but it was immediately obvious why the banks are struggling in the current market. There are a lot of factors that have been on the lips of people involved in the sector, such as negative rates, increased regulation, costs of increasing compliance department to counter economic fraud and the threat of new entrants on the scene of banking such as neo-banks. There's also the realm of technology that both seem to promise great endeavours for the established banks with A.I. and lots of new avenues that their services can be provided, using more sophisticated NetBank's and the emergence of mobile banking. The mobile app called MobilePay is in itself a swooping success, having pretty much wiped out every other competitor for the market of mobile P2P-transaction[4]. Technology has however also meant that banks are being threatened in ways they haven't been before. The emergence of neo-banks that has no physical branches, which means that they have very low operational expenses, and tempt new customers with higher rates than traditional banks, which is easy as the normal rate offered by banks is a resounding zero percent. LunarWay however, offers an interest rate of 2 percent. This comes at the cost of your bank essentially being your phone. The interest rate sounds excellent, but would people really accept that their bank is essentially represented by an icon on their home screen? It made us think about what people *do* expect their bank to be. We

[2] Finans. (2017, October, 26)
[3] Finans. (2019, October, 25)
[4] Peer-to-peer: transactions between individuals.

figured it would be interesting to map the business of banking, not specific to just one bank, but what the broad understanding of banks consists of. For this, we chose to focus our investigation on what is called Group One banks, which are banks that has a capital worth of over 75 billion DKK. Today the Danish Financial Supervisory Authority (FSA) currently lists five banks, shown on the next page. It is worth noting that Nordea isn't appearing on the list as they have their headquarters in Finland, and therefore isn't a Danish bank. They are however the second-largest bank operating in Denmark and will also be included as a case in this thesis. The reason for choosing this group of banks is because we assume them to be those that have the most sway in modern Danish banking. If we are going to discuss Danish banking as a broadly understood concept, we want the banks that represent the established order of banking and the banks that has enough capital to represent banking in its strongest capacity. Not every bank in this group appears as a separate case in this thesis, however. Danske Bank will, of course, hold an especially highlighted position, with Jyske Bank and Nordea also having part of the limelight. The reason for this is because each of these three banks either has a specific case tied to them, or they have made decisions that have affected the entire banking sector in a big way.

Group One Banks

1. Danske Bank
2. Jyske Bank
3. Sydbank
4. Nykredit

There has been so much going on in the banking sector that it has been hard to stay relevant. Excluding the examples, we've already provided above, another example of the dramatic state that the banking sector finds itself in would be the metaphorical bomb that went off in the boardroom of Sydbank in September this year, where key members of the board of directors at Sydbank, including the chairman, vice-chair and two ordinary members quit their job immediately. It was in a fiery dispute with the CEO, Karen Frøsig, that the board members decided that any further cooperation was unthinkable. This meant that key competencies and experience were left wanted in the board of directors of Sydbank, potentially leaving the bank vulnerable to being deemed not "fit &

proper" by the FSA.[5] Adding to this, it seems like the Danish banking sector has become allergic to money. When the European Central Bank(ECB) lowered its interest rate this year to minus 0.5 percent, it was expected that the Danish central bank, Danmarks Nationalbank, would follow suit as is their habit.
The expectations turned out to be true; shortly after European Central Bank's announcement, Danmarks Nationalbank announced that the Danish banks would have to pay an interest rate of -0.75 percent. As a result of the central bank's lowering of interest rates into the realm of the negative, Jyske Bank was the first bank to pass the bill to its customers. It announced in August that it would be the first bank in Denmark to impose negative interest rates for customers with over 7.5 million DKK on their checking account. If this was introduced in every bank it would have meant that 1.728 customers were to pay for having their money deposited. A rather exclusive club. However, just a month later, Jyske Bank announced that the bank would lower the ceiling for negative rates down to just one-tenth of the original ceiling, going down to 750.000 DKK. This meant that if every other bank followed suit, it would affect 163.542 private customers.[6]

It was speculated that banks might send the bill to their customers when Danmarks Nationalbank lowered their interest rates, but nobody knew what the ceiling was going to be, or who would be the first to implement it. At the time of writing, four banks have introduced negative rates, the four banks being: Jysk Bank, Sydbank, Spar Nord and Ringkjøbing Landbobank. Danske Bank has categorically refused to send the bill to their customers. Their financial director, Christian Balzer, has stated to Bloomberg News that: "To do it, can have a negative impact on society, including the risk that the customers withdraw more of their deposits as cash".[7] This turn of events was just more fuel for our interest in what is going on in this particular sector. The basic model of banking was that you deposit money, that the bank then lends out to others that need capital for

[5] Hedelund, D. & Nielsen, S. R. (2019, September, 18)
[6] Ritzau. (2019, September, 20)
[7] Hald, Michelle. (2019, October, 23)

an interest rate, it would then pay you some of that for the privilege of borrowing your money. This entire process is now short-circuited, it now costs money to deposit your money and as is the case with Jyske Bank's negative mortgage loan, it is effectively paying the customer for loaning money. Academics at Texas A&M University has already stated that every textbook that deals with the fundamentals of banking have to be rewritten based on what is going in, amongst other countries, Denmark.[8]

These seismic shifts within the banking sector had to be investigated. We wanted to understand what was going on and try to understand how all these 'breaking news'-headlines that followed the world of banking made sense. We wanted to see if there were any business of banking that was hit harder than the others, and to what extent the way of banking as a concept is being threatened or challenged in a new way.

We wanted to understand what was at stake at an essential level, are there truths about banking that simply doesn't add up anymore? Could anything be said about what banking is and how it challenged in its current environment by looking at the practice of banking at a more primordial level? For this investigation, we chose to use to concepts developed by Heil in his book "Ontological fundamentals for ethical management: Heidegger and the corporate world" from 2011, as well as works of Martin Heidegger himself. We chose the book by Heil because it was a great way of introducing Heidegger's concepts to the workings of the corporate world. Heidegger and banking aren't exactly an obvious combination of concept and data. In his book, Heil uses Heideggerian concepts like truths/untruths, the work, worlds, entities, *Dasein* (openness-for-being), *ge-stell* (em-bankment) and others that will be explained in later chapters. He uses these concepts to analyze and understand the human condition within a 'corporation' that reveals entities in purely instrumental terms. The opposite of this, he finds, is the 'enterprise' where humans are acknowledged in terms of their nature and free of em-bankment. In our

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[8] Torres, L. B. (2016, April, 25)

investigation, we didn't utilize the concepts of 'corporation' and 'enterprise' as dr. Heil presents, but we did use his model for analyzing the business of banking, but more on this in the next chapter. For Martin Heidegger, we used his magnum opus, Being and Time from 1927, as well as some of his other works.

This leads us to our chosen research question, that will help us get a deeper understanding of the subject:

What is at work in the work of the bank?

A 'work' is, in this case, a Heideggerian term that is used to describe that which sets-up a *world*. Heil explains that works sets up a world and thus are the background on which understanding is made possible. In this case the ‘the work of the bank’, we mean to investigate the entity of banks that gives us an understanding of banking that makes the banks understandable.

The ‘work of the bank’ is inspired by Heidegger’s concepts used in. Heil’s book. As mentioned earlier, Heil applies the concept of 'the work' to define a corporation as 'a work'. Here, we utilize the same method to analyze banking as a work, which enables us to use a lot of Heidegger's concepts. We've chosen to open up the research question by splitting up the question into the study of five ‘acts’ of banking, they are:

1. Capital provision
2. Payment solutions
3. Wealth management
4. Customer advisory
5. Money creation

In chapter two, we’re going to look at the method applied in this thesis. We will cover how Heidegger helped us acquire knowledge on this subject, as well as why his concepts ended up being our choice of method. We will also evaluate how our Heideggerian approach helped us answer our research question.

Our thesis consists of seven chapters that, including this introductory chapter. The next chapter is that *Methods* in which we will be going through the methods applied during our study. After this, we will be evaluating our method to determine if the method had any particular strengths in analyzing banking, and likewise, we will also discuss any particular weaknesses and difficulties we encountered by employing this method. We will finish off with a discussion of the universality of our arguments and claims put forward in this thesis and a critical discussion of how results that originate from a Heideggerian analysis contribute to the understanding of the modern business practice.

Chapter three will be our theoretical backbone where we dig deep into the Heideggerian terminology. We will cover what considerations that the ontological realm entails the distinction between res extensa and res cogitans. We will then explore concepts like *world*, *truth/untruth, Dasein, language, work, technology* and *em-bankment*. These concepts form the backbone of our investigation and even our research question. This chapter also functions to show which of the many, concepts of Heidegger we chose to utilities and how we understand these concepts in the context of our study.
Chapter four will be where we start working with these concepts in relation to the five practices of banking that we listed earlier. Four of these practices; Capital Provision, Payment Solutions, Wealth Management, Customer Advisory, and, is what constitutes the practice of banking according to the book Dansk Bankvæsen[9]. It is argued that these services are essentially what constitutes the act of banking.

We start by going through the practice of Capital Provision where we study the difference from savings banks and that of the commercial bank, in regards to the different ways that they are financed and their capacity to finance big loans themselves and handling the associated risk. The fifth point of our analysis is Money Creation, which is something that we included ourselves as we believe this topic holds huge importance for the understanding of modern banking. Here

[9] Baldvinsson, C., Bender, T., Busck-Nielsen, Kim., Nytoft Rasmussen, Flemming. (2011), p. 21

we wanted to take a deep look into how money is created and what if it has any relevance if the creator is a private or public entity.

After this, we will study the service of Payment Solutions, where we will be looking at the current state of the Danes favourite means of payment, the Visa/Dankort debit card. An old technology that still goes strong thanks to upgrades such as Near Field Communication (NFC) capacities. Afterwards, we will be looking at the very newest entrant to the market of payment solutions, mobile banking. Here we are going to investigate how especially MobilePay has established itself on the Danish market for mobile banking, having an almost monopoly and even becoming synonyms to paying by phone, as 'to google' has become synonymous to searching for stuff on the internet. With many big players entering the market of mobile payment solutions with the likes of GooglePay and ApplePay, it is a sector that gives no quarters. Despite the striking success of MobilePay in Denmark, that bank can no longer take it for granted that they have a natural role as providers of these services. We will, therefore, explore the continuous process of decision-making and development with concepts of Heidegger, such as that of ‘being ventured’ and that each concealment, is followed by new concealments.

We then move on to Wealth Management, where we will be looking deeper into the effects of negative interest on modern banking. It will also be discussed how modern banking business differentiates from what is understood as the prototypical bank. Many factors of traditional banking have been turned up-side-down with the problem of banks having *too much* money, making our analysis of how banking is traditionally understood versus modern banking relevant.
Finally, we then move to the Customer Advisory. Here we use the case of Flexinvest Fri as our launch pad into the discussion of consumer trust, and an analysis of what statements that can be said to be true, untrue, correct and false and in what worlds. It will also discuss why the outrage was so outspoken in this scandal, what expectations to the situation of investment advisory was challenged when it was revealed that Danske Bank sold a product that was expected to cost the consumer money?

Chapter five will be a discussion of our findings in chapter four, where we will be taking look at what was investigated and how that practice was understood using the concepts of Heidegger and Heil's framework. It will also be introducing new concepts from Heidegger, especially the concepts for *vorhanden* and *zuhanden* will central for this chapter. We will be going through the same five practices using these two concepts, looking at how the practices of banking have either enhanced their theoretical or more practical nature. This chapter will end with an overview of the process thus far and reflection on what knowledge was gained from this new perspective.

Chapter six is the conclusion to our thesis, tying up all of our results in the previous chapters, focusing on combining them into answering the research question.

Our final chapter, chapter seven, will be dedicated to speculation about the ramifications of our study. Is it possible to understand the economy as *zuhanden*? What does it mean for banking if it to operate in a *zuhanden* economy? These questions will be the heart of our last chapter.

2.0 Methodological perspectives

In this section, we will discuss our choice of methods for obtaining data and our way of processing it into our useful information for our analysis. It starts with an explanation of the type of data that we use for our study, going into detail about how to work with articles and documents. We will be relying on the thoughts of Kennet Lynggaard from Roskilde University about document analysis, discussing the advantages of using documents to identify larger trends within a sector, as well as some of the disadvantages of relying on written media without our involvement of the world that we seek to describe. After this, we will be discussing the use of Heil's method for studying organizations using the concepts developed by Heidegger. His introduction into organization analysis has proven to be the core of our thesis and thus constitute the backbone of our methodological framework. Looking beyond the contributions of Heil, we will also be discussing the concepts developed by Heidegger in their own right, as the methodological implications of deploying them have shaped how we approached our investigations. We finish the chapter by discussing the implications of our choice of method regarding the criteria of universality, what we learned from using the method and how we would have conducted our study again with our current knowledge.

2.1 The method of Heil

Heil's ambition is to establish an ontological foundation for ethical management. A type of management that encourages innovation, creativity and entrepreneurial initiative, which missing, according to Heil, in traditional corporate management. Heil's ambition is not just to 'fix' management, but to ascertain the very nature of the challenge of 'corporate management'.[10] To do this, Heil first has to study the nature of the entity that corporate management is dealing with; the corporation.

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[10] Heil, D. (2011), p. 12

In order to understand the very nature of the challenge called 'corporate management', it is critical to clearly establish the very nature of the entity that corporate management is dealing with in the first instance, namely the nature of the entity called 'the corporation', and then to ascertain the very nature of those actions that appropriately handle, manage or deal with this type of entity. By clarifying the very nature of the corporation and its management, a much wider domain and increased clarity on the very nature of possible actions that bring forth and shape the corporation are opened up.[11]

This quote is excellent in explaining the ambition of Heil in his work, but it also serves to explain much of our reasoning for our thesis. Heil seeks to investigate the nature of corporations, while we seek to investigate the nature of banking. Heil wanted to investigate the nature of the corporation to understand corporate management, and through that understanding, create the foundations of ethical management. We want to study the nature of banking to understand what fundamentally constitutes the praxis of modern banking, and what this precise sets into work. Heil makes several important translations of Heidegger's concepts to use them in a meaningful way. One of the most important movements that Heil does with one a Heideggerian concept, is that of looking at the organization as 'a work'. This operationalizes the use of Heidegger's other concepts such as truth/untruth, world, em-bankment and others because they have their meaningful way of explaining or analysing the 'work'. Once the work is banking, we can begin to question what kind of truth/untruth, world and em-bankment that manifests itself within, or as the result of, banking.

2.2 The use of Heideggerian concepts

While Heil use of Heidegger's concepts formed our approach to our investigation, Heidegger's philosophy was also a central aspect of our methodological consideration. Excluding the concepts that we've already mentioned in the earlier chapter, the concepts of *zuhanden* and *vorhanden* was crucial for our method of approaching how money and banking both can be understood as

[11] Heil, D. (2011), p. 12

entities that have an associated 'action', something that it is being 'wielded' for, a *zuhanden* relation. Equally, both banking and money has the potential for relegating themselves to the *vorhanden* relationship with *Dasein*. In the *vorhanden* relationship, money becomes that which is theorized upon, it becomes something that has its creation as a goal. These concepts will be explained further in chapter three and will be utilized in chapter five when we use to apply the concepts of *zuhanden* and *vorhanden* to further what we learned from the analysis in chapter four.

2.3 Choice of data

We seek to *understand* the ontological nature of modern banking in Denmark and how it contrasts to financial institutions of the past. This naturally leads us to a qualitative approach as it emphasizes the capacity to reveal the 'worlds' of different actors and organizations. We then needed data that originated directly from the banks themselves or their lobby organizations, as attributes of their worlds can only be sought understood by interpretation of their own language. As such our primary source of data will be a document analysis of articles, books and other publications by the banks themselves or by those that study it.

Using the definition of a document as presented by Kennet Lynggaard, who is a lector on Roskilde University and an avid user of document analysis in his own works, we can say that a document is "In general terms a document is language, that is fixed in time text and time."[12]

This means that by analyzing documents published by the banks themselves, or by those that represent them, we get insight into their 'worlds' language, that helps us *understand* their own particular wording and what they themselves see as important matters. Documents have the advantage that they are often made exclusively by the actors themselves, thereby eliminating any factor of co-creation with a specific interviewer or setting. When it comes to publicly

[12] Lynggaard, Kennet. (2017), p. 154

available publications by the banks themselves however, it must be expected that they are carefully crafted in order to convey the exact messages that the bank hopes to communicate outwards. This isn’t a problem however as it is exactly these kinds of statements that we seek to investigate, we want to understand how the banks see themselves as actors in the broader society and what *they* think is most important that they communicate towards it.

In document analysis, it is often useful to separate documents into one of three types of documents. It makes it immediately clear how recent the document was to any given event and whether the document was intended for public availability.

The following table is made from the distinction presented by Kennet Lynggaard:[13]

Primary documents	A document that is intended for a limited amount of actors regarding a rather recent event, such as personal letters and meeting minutes.
Secondary documents	Is principally available for all and also deals with a rather recent event. Examples: Newspaper articles, legal texts and public declarations.
Tertiary documents	Available to all, often made a period of time after the initial event took place and is often some form of analysis of the event. Examples: Academic books and memoirs.

It is, however, worth noting that it is not always the case that documents can be so clearly divided between being one or the other, and their concrete placement within the table can depend on the researcher and his or her intention with the document. Despite this, Kennet Lyngggaad says: “The point is however that it is

[13] Lynggaard, Kennet. (2017), p. 155

advantageous to consider the temporal context for different types of documents, and what target audience the author had in mind at the time."[14]

For our investigation, we will be primarily working with what is regarded as secondary documents as well as tertiary documents.

Kennet Lynggaard suggests that documents are evaluated by their "authenticity, trustworthiness, representativeness and intention."[15] These are somewhat obvious criteria, but ones that we have used to ascertain which sources we would be including. When we look at articles that are being written about banking, authenticity and trustworthiness are criteria that we haven't had much trouble with during our investigation. This is because we often use statements coming directly from leaders in the banking sector and articles written by reputable media and people that are experienced in commentating what is happening within that sector. FinansWatch.dk being an incredible resource for our study. FinansWatch is a subsidiary of JP/Politikens Hus, that both write their articles but also collects articles from selected newspapers like Jyllands-Posten, Berlingske and Financial Times on national and international happenings within the financial sector.

Representativeness is another factor, however, as we have used the statements from relatively few people to represent such a large and complex sector as that of the banking sector. We've tried to collect articles feature statements from as senior personnel as to possible when it comes to highlighting general trends, as we believe that the statements presented by senior-management are much more representative for the ambitions and concerns within the industry. Their communication of course expected to be of strategic nature, rather than what happens to cross their minds on that particular day. This, however, only makes it a more fitting material for us to study, as what we what to investigate is what kind of 'world' the banks want to present for the public regarding, for example, the aftermath of a huge scandal.

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[14] Lynggaard, Kennet. (2017), p. 155
[15] Lynggaard, Kennet. (2017), p. 163

2.4 Implications of the method

Our choice of method was picked based on its ability to open the ontological level of understanding that we wanted to investigate. The methodology of Heil and the concepts of Heidegger has great potential when studying the larger or broader subjects as the work of the bank. When the objective is to lay down foundational conditions of praxis, the method of going to the ontological level has very interesting for us to work with, as we've been able to uncover dilemmas and new questions which we hadn't expected. It was a true investigation in the sense that we didn't know where this kind of method would take us. The process of studying problems of banking and that of money, in a Heideggerian It has surprised us how much relevancy an ontological enquiry has within the realm of banking. The capacity to discuss questions such as: "What do you want your money to do, when we invest them?" has been a very interesting approach to our subject. There have also been difficulties in working with this method however, as it is often very challenging to boil down any results found this way, into short conclusions. There's also the question of universality, as many of our findings are directly related to our understanding of the event covered in the media, we have a clear distance to the subject of our investigation. Based on the same theoretical framework and with the same data, we expect it to be highly likely that others would have arrived at different conclusions than we did. This is because of the interpretative nature of our study, questions like: "has technology made money more *zuhanden?"* are questions that don't have a clear answer, and the valuable lessons are retained more so in the discussion, than in short, conclusive remarks.

3.0 Heidegger and Ontological Questioning

The main theoretical framework of the Thesis will be consisting of concepts derived from Martin Heidegger, and mainly within what can be categorized as ontological questioning. The Focus here is less to be as faithful to how Heidegger would view the subject matter which in this case would be the contemporary banking situation but rather derive a framework from Heidegger that allows an investigation into ontological questioning of the bank. To make the purpose of the project more precise it seems useful to make a distinction between ontological questions and scientific questions. In doing that we will examine the differences between Heidegger and a philosopher Heidegger often defines his work in opposition to or as a break from, namely René Descartes.

In the 1600s René Descartes laid the foundational ideas for what we today view as science. What science means for Heidegger and in relation to his ontological thinking will be expanded upon in a later section but for now, a contemporary understanding is sufficient. The cartesian ontological view is found in the famous line "I am thinking, therefore I exist"[16] which establishes the human being as that of a rational being. We can only trust the fact that we are thinking, or reasoning, everything else is a potential sensory deception. Descartes further makes a distinction between the *res cogitans* and the *res exstensa*. The *res cogitans* is that which gives human beings the sensation of existence, hence the famous quote, as that is the thinking and reasoning foundation of existence. The *res extensa, on the other hand,* is a non-thinking entity that exists external to the thinking being.[17] What we as thinking beings know of the world then becomes a matter of how we logically deduce of our external environments, and a true statement becomes that where a correlation between the logically deduced and what we observe in the external is established. This is the foundation of what is understood with scientific questioning.

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[16] Decartes, R. (1596-1650) 2nd Meditation
[17] Decartes, R. (1596-1650) 2nd Meditation

For Heidegger, Descartes makes some ontologically problematic assumptions. Heidegger's work Being and Time sets out to create a language of ontology that goes further than the cartesian ontology of the human being as being the reasoning human being. The main point being that we are presupposing too much about the human experience already when we say, "I am thinking, therefore I am existing". It contains concepts that are only intelligible due to preconceived notions of these concepts. Before this 'thinking' there is a being that manages to make things intelligible through concepts. This assumption has a different relation for the human being to itself and for the human being and to other entities. The thesis will focus less on the philosophical implications of the debate on whether you are simply being before you are a thinking being in an external surrounding, but more how Heidegger makes an inquiry into the ontological questioning that follows from this line of thinking.

The following sections will establish the language and concepts used by Heidegger in his ontological inquiry into the human being followed by a framework based on the established concepts that will create the basis for an inquiry into the ontological question of the contemporary Danish bank. The following section will give an account of Heidegger's term *world*. As with many Heideggerian terms that have a contemporary counterpart they are typically related but have different connotations which Heidegger either developed through a genealogy of the concept or simply developed to highlight a certain feature or aspect of the word. In the spirit of the hermeneutic idea that anything only becomes intelligible in relation to something else – these Heideggerian concepts will often be described in relation to a known contemporary concept in terms of how it relates and how it differs. By purely describing concepts in relational terms one could argue that the essence of the Heideggerian concepts cannot be fully understood in their entirety, however for the scope and goal of this project to ask the ontological question of the contemporary bank, this was found to be the necessary compromise in reaching the planned scope. As for the Heideggerian concepts in the following, we will introduce them and give a brief account of them to then later in the chapter develop them further in each their section. firstly, we will develop the concept of w*orld*. It is what the human being finds itself in. It is also what makes everything intelligible. It is not the same as the natural world which Heidegger refers to as earth. A close contemporary translation of world is closer to culture than the physicality of our world.

Secondly, we will give an account of who inhabits and creates this world, namely human beings which Heidegger conceptualized as *Dasein* or “being-in-the-world”. A crucial part of the *Dasein* is that it is world-acquiring meaning that it is in the *world* in an interdependent relation to it. Other entities appear in the *world* such as physical objects that are *world*-less, or animals who are *world*-weak, or *works* which are setting up *worlds* in themselves. To Heidegger, being authentic is exactly to be relating to yourself as a being that is being-in-the-world with all that it entails, world acquiring but with the acknowledgement that the world is what provides everything with its intelligibility. The language provided within this world plays a large part in examining it. To Heidegger, language is what gives world. That entities are conceptualized is what reveals it ‘as’ something in a world. The hammer is revealed as a tool to hammer nails. There are a lot of concepts in that small statement alone that only makes sense given by a particular world. In other terms, it is made sense of in a particular way by a particular world. When people share worlds, they can make sense of each other.

The fourth section is pertaining to the entities that are setting up worlds, and creating common worlds for human beings to share in. These entities Heidegger refers to as works. As they are setting up worlds they are not encountered and interpreted but rather a source of intelligibility in the world. Works include but are not limited to music, architecture, religion, art, philosophy. According to Heil, a corporation can also be interpreted as a work. And how this world that is set up by this work relates to the ontological question of being is partly what will be examined in the relation of the corporations of banks within Denmark.

Lastly, with regards to Heideggerian terminology, we will give an account of his concept of technology and how it relates to the concept *ge-stell*, commonly translated to enframing. Heil translates this in an interesting way as he uses the term Em-Bankment which highlights that in the technological world all entities are revealed ‘as’ bestand which can be translated into assets, they are valued in relation to how well they can be banked upon. A more common reading of *ge-stell* is a world in which entities are revealed in so far as they can be understood through properties that can be valued.

After establishing the Heideggerian concepts we will move to establish a framework through Heil's relating the Corporation to that of a work. As part of this, Heil translates a set of words Heidegger use in describing how a work can be understood, into words that are applicable in describing a corporation. From that Heil develops a set of questions meant to help reveal the world set up by the work of the modern corporation. These questions will help carry a continuity in the examination of the work of the modern bank.

3.1 The World According to Heidegger

The type of entity that Heidegger describes humans as is an entity that is being-in-the-world. As previously described, when Heidegger uses a concept that has a contemporary counterpart, it rarely carries the exact same connotations. In this case, we will look at how 'world' is to be understood when referenced in being-in-the-world. Firstly, it can be seen as a counter-reaction to the cartesian separation of the reasoning mind to the external world. With being-in-the-world you move away from the subject-object distinction and open up to a language where these are in a pre-cognition relation to each other.

World itself is not an innerworldy being, and yet it determines innerworldly beings to such an extent that they can only be encountered and discovered and show themselves in their being because "there is" world. But how "is there" world? If Dasein (being-in-the-world) is ontically constituted by being-in-the-world and if an understanding of the being of its self belongs just as essentially to it, (…) does it not then have an understanding of world, a pre-ontological understanding which lacks and can dispense with explicit ontological insights?[18]

[18] Heidegger, M. (1953), p. 68

It was mentioned earlier that Heidegger's concept of world is akin to our contemporary understanding of culture. It is however not like a worldview as it is not a personal *innerworldly* experience. World is rather what provides a being with an understanding of entities as they appear. We shall return to this quote again when establishing our use of the concept work and how it relates to world, which will further elaborate on how world both are provided and something one is being in. World can not be explained with reference to something as world happens prior to explanation according to Heidegger. Within world, an explanation can happen however, as it provides a context of where something can be meaningfully said. This is true both in a broader and more specialized context. In the context of banks, speaking of the negative rate fixed long term mortgage loans requires a being in a quite particular 'world' to first of all make sense of the statement and secondly, make it create referential thoughts that would have the phenomena be revealed 'as' something. It would take participation with this world to make judgements on the statement such as, what are some of the short-term and long-term consequences and does it appear as desirable or problematic? For Heidegger, the point would be that a certain familiarity to this world is presupposed when talking about these issues, just as well as there was a presupposition that went beyond 'thinking' when Descartes said, "I am thinking, therefore I exist". There is a world that is prior for this sentence to appear as meaningful to the being.

A pair of supporting concepts that expand on our understanding of how Heidegger view world is his notion of truth and un-truth and how they relate to correct and false. When thinking of the concept of truth, Heidegger draws on the Greek 'aletheia' which translates to unconcealedness. Truth can then be seen as a phenomenological practice of letting things be unconcealed as they appear for the being.

Freedom, understood as letting beings be, is the fulfilment and consummation of the essence of truth in the sense of the disclosure of beings. "Truth" is not a feature of correct propositions which are asserted of an "object" by a human "subject" and are then valid" somewhere, in what sphere we know not. Rather, truth is the disclosure of beings through which an openness essentially unfolds.[19]

In here we see the opposition to the idea of truth being found in correctly asserting propositions about an object which is what Heidegger views as something relating to the cartesian school. A distinction, therefore, is made between truth and correct. The goal is not to assert relativism into the discussion of science, as there is a 'correct' way these properties of an object can be measured and be in correlation with what we can observe. However, with this distinction, that relates to correctness, where truth relates to how something is unconcealed, and both reveal something about a world and entity in which a truth claim has been made about. Going back to the case of the negative rate mortgage loan, whether it is desirable or not can be said to be true or not according to parameters given within this world. Speaking of it in terms of correct or not makes less sense as it cannot be said to be correct in all possible scenarios.

With this distinction between correct and true, they have their respective counterparts in false and un-true. For the counterpart of correct being false, it simply entails that propositions asserted about an 'object' by a human 'subject' are not corresponding with the observed. This is highly in line with a typical contemporary statement of whether something is true or false. The distinction between correct and true become particularly useful when viewing the relationship between true and un-true.

"Untruth must derive from the essence of truth. Only because truth and untruth are, in essence, not irrelevant to one another but rather belong together is it possible for a true proposition to enter into pointed opposition to the corresponding untrue proposition. The question concerning the essence of truth

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[19] Heidegger, M. (1943), p. 7-8

thus first reaches the original domain of what is at issue when, on the basis of a prior glimpse of the full essence of truth, it has included a consideration of untruth in its unveiling of that essence."[20]

As his concept of truth is derived from *aletheia* which is truth as the act of unconcealedness, it carries with it un-truth, that which is still concealed. Something can be true within a world as in how something or an entity is unconcealed within this world. It can never be the entirety of this entity that is revealed but merely a specific way it is revealed as, it is in this sense that truth carries un-truth for Heidegger. As mentioned earlier there is a usefulness of this distinction, especially when seen in relation to Heidegger's concept of world. In saying truth carries un-truth it serves as a reminder that an entity is revealed in a particular kind of way by world, and that world is a defining part of how entities come to be unconcealed by it, and not in itself.

3.2 The Inhabitants of World

In the following section, we will sketch out some of the main ideas pertaining to Heidegger's concept of *Dasein* (being-in-the-world). One of Heidegger's big critiques of our understanding of human beings is that they are subjects that relate to objects which can be seen in the cartesian ontology of the distinction between the *res cognitas* and the *res extensa*. For Heidegger, this jumps one step ahead in the nature of being for the human being.

> *The human being is never first and foremost the human being on the hither side of the world, as a "subject," whether this is taken as "I" or "we." Nor is he ever simply a mere subject that always simultaneously is related to objects, so that his essence lies in the subject-object relation. Rather, before all this, the human being in his essence is ek-sistent into the openness of being, into the open region that first clears the "between" within which a "relation" of subject to object can "be."*[21]

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[20] Heidegger, M. (1943), p. 9
[21] Heidegger, M. (1946), p. 266

Heidegger sees this cartesian ontology as placing a human being on the hither side of the world, meaning limited to having the *res extensa* be revealed to you as world will have them revealed. He sees the human entity as a very particular being for its ability to have and create 'world' which is why he refers to human beings as *Dasein* or being-in-the-world. With world it is understood that which unconceals, and that which makes phenomena intelligible. In other words, world is that which brings truth and un-truth and in the face of that realization, a human being becomes a being-in-the-world. It is not just being of the world so to speak, which is typically used in a religious context but carries different but similar connotations in this case. In the religious context, a person of the world is a person that does not seek God and is driven by worldly desires. As contrary to Heidegger's being-in-the-world it is understood as a being that has not understood itself as a being to possibly reveal world but is rather limited to respond to the existing world. The realization that truth carries un-truth in world is what places being in a relational state with world.

A way in which we further can develop human beings' relation to world is in contrast or relation to that of animals. In Heideggerian terms animals are world-poor. Their relation to world is less than and not on the level as being-in-the-world. Let's take the basis of hermeneutic phenomenology as an example. For a human being, a new understanding may emerge in the meeting of a past understanding and an emerging phenomenon. In other words, human reevaluate their understandings and expectations of their surroundings based on feedback. In a sense, this attribute can be assigned to animals as well. A dog will most likely only burn themselves once on the kitchen oven. They are able to derive feedback from phenomena. However, by being-in-the-world's world-acquiring nature it allows for a certain awareness of how phenomena are revealed to us as new understanding hence their world-poor being. Put differently, human beings have the ability to evaluate how they evaluate.[22]

[22] Heil, D. (2011), p. 61

This relational state between being-in-the-world and world and furthermore how world is observed is everything but trivial as world is what makes everything intelligible for the human being. With world being the provider of reason and intelligibility, it would then mean that any attempt at studying it would be provided by its own logic. Drawing on metaphors it would be the equivalent to look at your own eyes looking with your own eyes, one could never accomplish that direct phenomenon, but through tools like a mirror, one might come closer to the direct thing. This metaphorical mirror to observe world, and for world even to exist is language and is thereby also a key part when having world reveal itself. The following chapter will be an outline of what language means in the Heideggerian philosophy and how it is essential in studying world.

3.3 Language Gives and Reveals World

In this section, we are going to relate some of the established concepts to each other as we are moving towards how these concepts come together in forming a framework that we can use in analyzing the modern Danish bank as an entity. In Being and Time, Heidegger refers to the being of *Dasein* as something historical.[23] Furthermore, he writes that there is a truth of being that is true only in the historical context of when it is related to. From what has been laid out earlier, in Heideggerian terms, truth is something that is given and provided by world, and that world is subject to change. The revealing of truth within world always carries un-truth in the sense of that which is still concealed. When Heidegger talks truth of being in a historical context, it then follows that relating to being is revealed differently over the course of history. The essence of *Dasein* is simply being, but how this being unfolds and is revealed by world throughout history is a changing matter that for Heidegger can be seen through how the language of being through history has come in different variations. For this thesis, how the banking sector relates to being is one of the central questions we

[23] Heidegger, M. (1953), p. 44

are going to ask in order to reveal the so-called world set up by the work of the bank.

As a sort of disclaimer when it comes to how a being is being, or how an entity set up a view of being, Heidegger has a pair of concepts in authentic and inauthentic being. In short, the authentic being is that which is aware of it being-in-the-world with what it entails of understanding everything as made intelligible by world and also being world-acquiring. An in-authentic being is a being who has lost its connection to being-in-the-world. One who has lost the understanding of being as a world-acquiring being but have world revealed upon oneself as the way things *are*.[24] Furthermore, the concept of work, which will be expanded in the following chapter, can set up a world which relates to the truth of being. Whether it allows for being to relate to its own being is what determines authenticity or inauthenticity in being. For what we wish to accomplish with this thesis the concept of authenticity and in-authenticity creates a dichotomy leaning towards right or wrong that we wish to avoid. It is, however, the goal to raise the question of what type of entity the bank is and how it relates to the question of being, as a way of understanding the challenges of contemporary banking from a different approach than incremental regulation.

Just as language can be a way to make an inquiry into how the truth of being is revealed in a historical era, as will language of the bank be a way of which this type of ontological inquiry will be made in this thesis. Language for Heidegger is how human being comes into relation with world. World reveals its truth through language and is in turn also constituted by it.

> *Language is the primal dimension within which man's essence is first able to correspond at all to Being and its claim, and, in corresponding, to belong to Being*[25]

24 Heidegger, M. (1953), pp. 303-304

25 Heidegger, M. (1954), p. 41

By being that which is given by world but also that which constitutes world, it is also what allows for the being that is concerned with its own being. It is in this encounter with language that world get to reveal entities 'as' something. When things are labeled through language it is not doing so in reference to an objective truth of the thing, but rather what world reveals it as.

> *The "as" constitutes the structure of the explicitness of what is understood; it constitutes the interpretation. The circumspect, interpretive association with what is at hand in the surrounding world which "sees" this as a table, a door, a car, a bridge does not necessarily already have to analyze what is circumspectly interpreted in a particular statement. Any simple predicative seeing of what is at hand is in itself already understanding and interpretative. (…) The simple seeing of things nearest to us in our having to do with, contains the structure of interpretation so primordially that a grasping of something which is, so to speak, free of the as requires a kind of reorientation. (…) The ontic inexplicitness of the "as" must not mislead us into overlooking it as the a priori existential constitution of understanding.*[26]

When something is spoken through language it carries with it this *inexplicit* as which is given by world. Heidegger brings examples of entities that appear to us as doors, tables and cars. But explicit or not, everything labeled through language carries this *a priori* understanding of something as it is. As Heidegger points out, the things near to us become even harder to grasp not as something the way it is, but something that is revealed through us by world, and to come closer to this which is *inexplicit, as* it requires a reorientation towards the '*as'*. To reveal world is then to make an inquiry into how world reveals entities through this *inexplicit 'as'* carried in language. Specifically, how the framework in doing so will be developed throughout the end of the chapter. The following section will be concerned with the type of entities called work that set up world and by extension of that, partisan in forming language.

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[26] Heidegger, M. (1953), p. 140

3.4 Entities as a Work

A central concept for Heidegger is his concept of entities or beings. Beings are distinct from being which makes the translation of entities a way to cause less confusion. The following quote highlights a distinction between entities and being.

Being and the structure of being lie beyond every entity and every feature of an entity that there can possibly be. Being is die transcendens pure and simple[27]

The quote highlights how entities occur as an unconcealment through world. Being is then what transcends that which is given through world. Heidegger described some categorical distinctions between entities on the basis of which attributes in relation to world could be assigned to them. One of these distinction Heidegger makes in "The Origin of the Work of Art" is between a *being of things* and a *being of works*.[28] Using the translation of an entity the distinction can be made of an entity that has the characteristics of a *thing* or an entity that has the characteristics of a *work*. Equipment can be seen as an entity that in its physical form rest in a thingness of the thing, in that it is present, usable and understandable for us. Heidegger suggests that equipment particularly finds itself between thing and work, as it's half thing in physical manifest form, and half art-work. The art-work is that which stand self-sufficiently as an intermediator of truth within world. Equipment, to Heidegger, is both half art-work and also not at all, in it not being self-sufficient and by extension useless without use. [29]

The equipment Heidegger uses to exemplify this is a pair of boots. As an example of what entity that fully carries the characteristics of a work, he turns to the painting 'shoes' by Vincent Van Gogh which depicts a pair of worn peasant shoes.

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[27] Heidegger, M. (1953), p. 38
[28] Heidegger, M. (1935-1936), p. 4
[29] ibid. p. 10

Equipment of this kind serves as footwear. Whether it is for work in the field or for dancing, material and form vary according to use. Correct statements such as these only tell us what we already know: the equipmentality of equipment consists in its utility. But what about this utility itself? (…) What is at work in the work? Van Gogh's painting is the disclosure of what the equipment, the pair of peasant shoes, in truth is. This being steps forward into the unconcealment of its being. The unconcealment of beings is what the Greeks called alatheia. We say "truth" and think little enough in using the word. In the work, when there is a disclosure of the being as what and how it is, there is a happening of truth at work[30]

Through this quote, Heidegger makes it apparent that he sees works as that which unconceal beings, which in the previously established concepts follows that works are in fact entities that have the characteristics of producing world. As world is that which makes things intelligible and unconceals entities 'as' something, a work's ability to be that which unconceals entities then make it part of world. In this instance, Heidegger refers to work as an art-work but to Heidegger, a work is not limited to be a piece of art in its typical sense. One of the key characteristics of the entity that is a work is pertaining to its ability to set up world. Heidegger himself has referred to music, architecture, states, poetry, philosophy, art, and religion[31] being able to have the characteristics of a work which suggest that the list of entities that can have this specific characteristic is vast and not limited to the mentioned list.

As mentioned earlier an important characteristic of the work is in its self-sufficiency. For it, to set-up world, it needs to provide the very intelligibility that allows unconcealment of entities. Because of this self-sufficiency of the work, it is to be seen as an extension or expression of being and not that which is pertaining to the person. In relation to art, it can be seen as the artist's ability to channel and unconceal world[32]. A work for Heidegger stands in its own right and ability

[30] ibid. p. 16
[31] Heil, D. (2011), p. 79
[32] Guignon, C. B. (1993), p. 18

to set up world and act as an unconcealer of entities, rather than something that is produced by the artist.

Just as a work cannot be without being created, just as it stands in es- sential need of creators, so what is created cannot come into being without preservers. If, however, a work does not - or does not immediately - find preservers who respond to the truth happening in the work, that does not mean that a work can be a work without preservers[33]

An underline is made between the role of the *creator* and the *preservers*, a work needs to have been created or brought into being by someone. But it's characteristic of it being a work and being preserved as a work, comes from those who attend to the truth of the work brought by world. Put another way a work only remains relevant as a work in so far as it is knowingly or unknowingly on people's mind.

In our goal to ask ontological questions about the bank in a framework derived from a Heideggerian perspective, it will be a part of the project to specify what type of entity we view the bank as. Can all banks be viewed as the same type of entity or are there variations among them, and should there be variations among them, what are the main areas of the banks that transform the essence of their being to be something else? In characterizing the type of entity the bank is we will draw on the work of Heil that in his work "Ontological Fundamentals for Ethical Management" took on the task of analyzing the entity of the modern corporation.

In order for people to be intelligible to each other, they need to share *world*. They need to have entities be unconcealed to them in a compatible way. Going a step further, in order for people to come together in a cooperative manner that is required in a corporation, these people need to have a quite strong common world association to function. Especially when you think of the modern corporate landscape of massive corporations, that successfully needs to coordinate and

[33] Heidegger, M. (1935-1936) p. 40

cooperate across languages and cultures. This is one of the assumptions Heil bases his characterization of the corporation as being a work off.

The corporation must be a work so that people can encounter each other as humans and as fellow employees, suppliers, customers etc.[34]

A question that follows in order to ask ontological questions about the corporation is, what kind of world does the work of the corporation set up, and how can we know? In the following section, we will give an outline of a type of world Heidegger refers to as *ge-stell*, the common translation of this is enframing and in Heil's work, he translates it into em-bankment. This happens to be what Heidegger views as the dominant world in our modern era and is also what Heil arrives at as to be the typical world set up by the work of the corporation.[35]

3.5 Technology and *Ge-stell*

A key concept for Heidegger in understanding *ge-stell* is the nature of Technology and how it is related to both the concept of world and work. As with any familiar concept from the Heideggerian dictionary, there is a different emphasis or connotation in his use of the word technology than what would be a contemporary understanding of the word. In the following part, we will examine how technology is related to the world and works of our current epoch. Technology particularly brings about a specific type of world that ultimately reveals entities 'as' bestand which translates to standing reserve or asset. This type of world brought about through technology, Heidegger refers to as *ge-stell*. Following is an overview of how Heidegger arrives at this conceptualization.

Previously we established how in Being and Time Heidegger relates the concept of world and being as being something historically founded and in turn makes the argument that how we relate to being is not constant and is bound to the truth of the current epoch's world.[36] Our modern epoch Heidegger views as being

[34] Heil, D. (2011), p. 85
[35] Heil, D. (2011), p. 97
[36] Heidegger, M. (1953), p. 41

dominated by the world of the *ge-stell*. In arriving at what he means with that we will start by taking a look at this quote from Being and Time where he highlights a particular aspect of being.

In the being of this being it is related to its being. It is being about which this being is concerned (…) the "essence" of Dasein lies in its existence. The characteristics to be found in this being are thus not objectively present "attributes" of and objectively present being which has such and such an "outward appearance" but rather possible ways for it to be, and only this. (…) The being which is concerned in its being about its being is related to its being as its truest possibility. Dasein is always its possibility. It does not "have" that possibility only as a mere attribute of something objectively present. And because Dasein is always essentially its possibility, it can "choose" itself in its being, it can win itself, it can lose itself.[37]

To Heidegger, a being is always presented with the possibility of choosing oneself as an authentic being or to forget its nature of a being that concerns itself with being and be content in an inauthentic state. However, the world of a given epoch's relation to being can make this choosing of oneself more or less difficult, and in this epoch of the world which is dominated by *ge-stell* it is particularly hard for a being to choose itself in being and perhaps even default towards losing oneself to inauthenticity.

Prior in this chapter, we laid out what can be said to be a cartesian ontology which sees the human being as the *res cognitas* and the exterior world as the *res extensa*. To Heidegger, this holds some of the foundation of modern science – a world where the *res cognitas* actualize itself by knowing the external. This knowing is done through categorizing correct properties. He sees the scientific method as an extension of technology. The nature of technology is a revealing of entities in terms of its utility and entities are understood in terms of this utility. The language of science becomes the extension of *ge-stell* as it is quite proficient in terms of categorizing and understanding the utility of entities. Ultimately

[37] ibid, p. 40

Heidegger sees technology as that which relates to entities in terms of their utility and by extension the world which unconceals everything as assets[38]. Heidegger does not, however, view the physical manifest equipment of technology as the problem in itself but rather makes a distinction between the use of technology as equipment and the essence of technology.

Technology is not equivalent to the essence of technology. When we are seeking the essence of "tree," we have to become aware that That which pervades every tree, as tree, is not itself a tree that can be encountered among all the other trees. Likewise, the essence of technology is by no means anything technological. Thus we shall never experience our relationship to the essence of technology so long as we merely conceive and push forward the technological, put up with it, or evade it[39]

The final part of the quote leads to one of the key features that happen in the relation between the essence of technology and being which is *ge-stell*. For the being that does not confront the essence of technology will never know his or her relationship to this essence of technology. In order to be capable of doing so, one needs to be familiar with being, however, in the world of technology, *Dasein* already suffers.

The threat to man does not come in the first instance from the potentially lethal machines and apparatus of technology. The actual threat has already affected man in his essence.[40]

The being of man which is concerned with being in the terms that it may bring about more *original revealings* is severely challenged in a world that provides the only intelligible unconcealment of entities as being assets. This world provided by the essence of technology called *ge-stell* makes it a sort of default to merely conceive and push forward the technological which is why Heidegger sees losing being as a consequence of the essence of technology. Ultimately being is lost to

[38] Heidegger, M. (1954), p. 14
[39] ibid. p. 4
[40] ibid. p. 28

Dasein as having its own being unconcealed as an asset as well. Part of Heidegger's argument for this lies in his distinction between component (stuck) and part (teil). He claims that when everything is seen as asset then everything becomes components as opposed to parts. Parts are a part of a whole. Both the whole speaks of the part and the part speaks of the whole. Components, however, are interchangeable and valued in terms of the utility it provides in its current placement. He ultimately concludes that "*the asset is not a whole, just an accumulation of components"*[41]. Human beings as part of the world which unconceals entities as assets can too be viewed in terms of this ordering within utility value.

> *Human beings are exchangeable within the ordering of assets. That they are components of assets remains to be the precondition for them to be able to become the functionary of ordering. At the same time, the human being belongs in the embankment in a wholly different way than the machine. This way they can become in-humane. Human beings never become a machine. The inhumane and still human is, of course, more unsettling, being more malicious and fateful than the human that would be merely a machine.*[42]

Humans are not exempt from this unconcealment of entities as asset, but what Heidegger further alludes to here is that human beings can never fully be machines or components ordered as an asset as it still has a potentiality of being. This potentiality may not be outlived but then as an entity becomes inhumane as opposed to a machine as it is a being which has just not acted upon it's being. Looking at empirical examples it's not hard to find various terms in various institutions and industries that allude to human beings as assets in terms of their utility value. Human resource, credit score, seniority, academic grading systems etc. Sometimes instances occur where the in-humane aspect of the *ge-stell* of technology reveals itself to being which act as a reminder of the world in

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[41] Heil, D. (2011) p. 96 - requoted Heidegger, M. GA 79:36
[42] Heil, D. (2011) p. 100 - Requoted Heidegger, M. GA 79: 37

which the being is in which in turn serves as a reminder to the being's openness to being.

As with what we named the dichotomy of authentic and inauthentic and how we want to avoid calling the modern Danish bank either-or, it is not here the goal to point out in which ways the modern bank is built upon the *ge-stell*. This section of technology and *ge-stell* is rather to provide context to how Heidegger ontologically views the human being and the world it is surrounded in. For as far as possible, it is the goal to use Heidegger's ontological questioning as a framework that provides for an analysis that allows for raising a different type of questions than what is strictly from the terminology of the bank. When questions of banks are raised it is often done so within the language or *world* of banks, and when we relate to change in the bank it is often through a regulatory change which could be either in the limit of the banks' leverage ratio or capital requirements seen through acts such as Basel 3.[43] When the banks misbehave according to it's surrounding society it seems appropriate to not only ask how we adjust existing regulation but alongside ask the ontological question of what kind of entity the bank is, to get closer to answering the question of what allows such behavior. Only then will we begin to grasp whether an adjustment in regulation will influence the entity of banks themselves to act differently. In light of this, we want Heideggerian terms to provide a framework for ontological inquiry but not necessarily to provide Heideggerian conclusions about the *ge-stell* of our modern epoch.

3.6 Becoming Familiar with the World of Banks

One of Heidegger's big missions with his works was in the pondering of how to deal with metaphysics. He had found metaphysics to be the big hindrance for philosophy to proceed to date back all the way from Plato to when Heidegger did his writings. In many of his earlier works he often spoke of the issue as *getting*

[43] Christiansen et. al. p. 74

over metaphysics, however, he wrote in one of his letters referred to in English as *On the Question of Being* that in order to deal with metaphysics one had to *come to terms with* Metaphysics.[44] As with the relationship to technology, one does not get to know this relationship if one evades it. Coming to terms with something carries a different connotation in this sense than getting over something does. It requires a certain familiarizing to take place in order to truly come to terms with something.

Thinking and pondering is a way in which one can reach a position of coming to terms with or familiarizing with world. As we have written previously, world is hard to see as it provides all intelligibility. However, drawing attention to language in the act of thinking is a way of familiarizing oneself and reorientate oneself towards world and bring one closer to coming to terms with world[45].

In Heil's work regarding the corporation, he has formulated a list of questions that can make an inquiry into the world set up by the work of a company. His way of deriving these questions are made from passages by Heidegger where he speaks of how a world can be interpreted. Is in certain characteristics of world that world may reveal itself. The quotes are as follows:

It is the temple-work that first fits together and at the same time gathers around itself the unity of those paths and relations in which birth and death, disaster and blessing, victory and disgrace, endurance and decline acquire the shape of destiny for human being.[46]

By the opening up of a world, all things gain their lingering and hastening, their remoteness and nearness, their scope and limits.[47]

As a world opens itself, it passes victory and defeat, blessing and curse, mastery and slavery over into a historical humanity for a verdict. The dawning world

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[44] Heidegger, M. (1955), p. 320
[45] ibid p. 321
[46] Heidegger, M. (1935-1936), p. 167
[47] Ibid p. 170

brings out what is as yet undecided and measureless, and thus discloses the hidden necessity of measure and decisiveness.[48]

Heil proceeds to translate the words that Heidegger uses to characterize the features of the world. Those words are translated to be compatible with language in a modern corporate setting. Some of the words are not translated as they are seen to already be familiar in the world of the corporation. The words are translated in the following manner.

- 'disaster and blessing' and 'blessing and curse': 'debacle and good fortune' or simply 'good and bad'
- 'victory and disgrace' and 'victory and defeat': success and failure
- 'endurance and decline': sustainability and deterioration
- 'destiny': official future
- 'lingering and hasting': sense of time
- 'remoteness and nearness': important and unimportant
- 'mastery and slavery': power and powerlessness as well as notions of authority[49]

Finally, he formulates a list of questions that serve as a guide to start the thinking of the company in terms of how it sets up world. This serve as a familiarization towards the company which will help about a reorientation towards the thing so that it may shed light on the world it sets up. The questions he proposes as derived from the passages by Heidegger are as following

- What are the world, culture and style of the company?
- What does it mean to be a human being in the company?
- What is considered ethical or unethical in the company?

[48] Ibid pp. 187–188
[49] Heil, D. (2011) p. 157

・What is considered good or bad in the company?

・What is important and what is unimportant in the company?

・What constitutes success or failure in the company?

・What constitutes power and authority in the company?

・Who do people collectively and individually hold themselves accountable to in the company?

・What are the recognized key issues in sustainability or deterioration in the company?

・What is measured and assessed in the company?

・What are key decisions that lie ahead or need to be continuously made in the company?

・What is the sense of time in the company?

・What is the official future in the company?

These questions will serve as an opening up to thinking of the bank and in doing so also examine whether drawing the parallel between how Heil views the corporation is a fair comparison to the bank. Later we want to examine whether different types of banks can be said to carry the same characteristics, in order to further shed light on the being of the modern bank.

3.7 Vorhanden and *zuhanden* Relating to Entities

In our further examination of the world set up by the work of the modern bank, we wish to use a distinction of concepts Heidegger uses in Being and Time. The distinction is one between *vorhanden* (objectively present) and *zuhanden* (handiness) which is concerned with how one relates to entities. Heidegger explains this *vorhanden* and *zuhanden* relating to entities through *Dasein*. One of the ways in which he brings attention to the distinction is in *Dasein*'s use of a hammer. Ones initial relating to the entity of the hammer is in its *zuhanden* way of being an extension of your will to accomplish a goal, in this case, most likely to hammer a nail. Regarding the *zuhanden* relating to the thing, he writes the following.

Handiness (zuhanden) is not grasped theoretically at all, nor is it itself initially a theme for circumspection. What is peculiar to what is initially at hand is that it withdraws, so to speak, in its character of handiness in order to be really handy. What everyday association is initially busy with is not tools themselves, but the work. What is to be produced in each case is what is primarily taken care of and is thus also what is at hand. The work bears the totality of references in which useful things are encountered.[50]

As he states in this relating to the entity in a *zuhanden* way, the entity *withdraws* and becomes an extension of the will of the *Dasein*. The experience to *Dasein* is one where the hammer becomes an extension of its consciousness. The other relating to the entity of the hammer is what Heidegger refers to as a *vorhanden* relating. In his explaining of the distinction, he proposes a situation where the hammer breaks and then loses its *zuhanden* possibilities for the *Dasein*. In this case, *Dasein* becomes aware of its physical properties that previously allowed him to let it be an extension of its will but is no longer able to in its current state. Where the hammer's physicality withdrew in the mind of the *Dasein* it is now very present as something that no longer did what it did before, which brings about a relating to the entity of the hammer in terms of its physical form.

Such that it seems it lose the character of handiness. It reveals itself as something merely objectively present, which cannot be budged without the missing element. As a deficient mode of taking care of things, the helpless way in which we stand before it discovers the mere objective presence (vorhandenheit) of what is at hand[51]

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[50] Heidegger, M. (1953), p. 65
[51] ibid. p.69

Something does not need to break in order for us to relate to something in a *vorhanden* manner but is used to explain the shift in relating to the entity from something we only think of in terms of what we want to accomplish with it, into a type of entity that is only understood in terms of its properties. It is relating to the hammer in terms of which properties makes the hammer, a hammer. To further elaborate the distinction of the ways of relating he states that the *zuhanden* relation is the more primordial way of relating to entities and comes prior to the *vorhandenheit*.

> *To espose what is merely objectively present (vorhanden), cognition must first penetrate beyond things at hand being taken care of. Handiness is the ontological categorial definition of beings as they are "in themselves". But "there are" handy things, after all, only on the basis of what is objectively present (vorhanden).*[52]

To put this in the terms of the *Dasein*'s relating to the entity of the hammer it can be read as the *Dasein*'s will in creating whatever required the hammer, predates the hammer. However, only the vorhandenheit of the hammer allows the *zuhanden* relation to it in an admittance of the hammer's physicality needing to be present in order to accomplish anything. In terms of previously established concepts within the Heideggerian terminology, *zuhanden* can also be thought of in terms of the *Dasein* in its openness for being, able to imagine and create new worlds. The *vorhanden* relation to entities is strongly tied to that of the scientific approach. That which makes things intelligible in terms of properties. For the hammer that could be its weight, size in a standardized measurement of kilograms and centimeters. As has been mentioned in the past section about technology and *ge-stell*, this is the exact way of relating to entities that happen within *ge-stell*. It relates to entities in ways in which it can be related to only insofar as it can be standardized and ultimately valued on this behalf. We will use this distinction of a *zuhanden* and *vorhanden* relating to entities in our examining our examining of the work of the bank and what it puts into work.

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[52] Ibid. p.67

5.0 Setting up Analysis of the Bank

In the following section, we want to further specify what type of entity we are examining when we are talking about the modern bank. In Heil's analysis of the company, he identifies it as having characteristics shared with the entity Heidegger calls a work. He sees it as this type of a that sets up world in order for cooperation within the company to be possible, and for the company to assert itself as meaningful within world. Heil makes the distinction of these types of companies that sets up world calling them either a corporation or an enterprise. Both are fundamentally companies but the way in which they set up world for Heil is where he makes the distinction between them. One allows the openness for being which is essential to *Dasein* while the other ultimately reveals all entities as standing reserve. We will not make use of this dichotomy in our investigation. We are however interested in qualifying that the type of entity we view the bank as share the same characteristics that make it a work as what Heil identified with the corporation or enterprise. We want to make clear that the entity of the bank has other possible types of entities to be analyzed as, but for this investigation we examine the entity of the bank as a work, mainly giving weight to the effect it has on *being* and *world*. Furthermore, it is the type of entity in Heidegger's terminology that sets up world and carries with it an a priori unconcealment of world beyond *Dasein* which allows us to examine a being of banks and how this being of banks differs in different settings of the bank.

What we specifically want to examine is the being of the entity we will refer to as the modern bank. As part of the process of defining what we speak of when we speak of the modern bank we will draw on a section from the book 'Dansk Bankvæsen' which is a book meant to be a sort of reference work describing the Danish banking sector with all of its different bodies and functions and the legal circumstances under which the sector operates. Among the authors of the book is a former head of department in Danske Bank and a former vice director in the FSA. In a way, the book can be seen as for the Danish banking sector by the Danish banking sector. In Heideggerian terms, it provides an account regarding world from within this world giving a clearer account of how this world unconceals itself for itself. In the book, they make an attempt of describing the complexity that which is the Danish banking sector into four essential parts:

The banking sectors many and complex functions and duties can roughly be put under the headlines of capital management, payment solutions, wealth management and customer advisement[53]

The modern banking sector unfolds itself in an almost overwhelming amount of different functions that all serve a different purpose while these purposes of the functions can roughly speaking be boiled down to one of these four parts mentioned above – capital management, payment solutions, wealth management and customer advisement. In Heideggerian terms, this can be viewed as a proposed essence of the entity of the banks. It does perhaps not strictly follow the process of how one would normally do an investigation into the essence of an entity as that would be the removal of components to the point where it no longer can be seen as the entity of a bank. In this case, the process seems to be more that, observed components or functions that banks happen to have can be boiled down into these essential purposes. This does, however, make for a great starting point as it describes the observed essentials of the modern bank from which the ontological question of the essence of the modern bank can be raised.

In order to further the inquiry into the essence of the modern bank, we want to propose a list of what these components mentioned earlier that the bank is made up of. This list is not an exhaustive list of all the bank is and does but encapsulates a wide variety of its components that we have deemed useful in order to investigate the four essential parts of the bank. We have comprised the following list:

Bank

Shareholder owned company

[53] Baldvinsson et. al. p. 21

Housing loan

Consumer loan

Payment solutions

Business loans

Interest rates

Security

Cash withdrawal

Customer advisement

Investment

Pension

Insurance

Internet banking

Phone applications

Mortgage loan

Capital requirements

’Nem Konto’

The inquiry into the ontology of the modern bank will proceed in the following way. Firstly, one of the four essential activities of the bank will set the foundation for a section of the bank that will be examined – capital provision, wealth management, payment solutions and customer advisory. Secondly, the essential part will then be developed through how it is manifest in actual activities. Examples of such activities can be seen in the list above. Thirdly, questions appropriate for the subject at hand will be picked from the list of questions proposed by Heil to allow thinking of the world set up by the work of the bank. Finally, we will use the questions to open the thinking of how these particular activities relate to both the essence of the entity of the Bank and how it stands in the opening of the world set up by the work of the bank.

5.1 Capital Provision

The first section of the examination of the essence of the modern bank will be in its function of capital provision. To further the opening of the world in relation to capital provision we will contrast this function to how it appears in the work of sparekassen. In the following, we will spend some time to develop the entity of sparekassen for it to stand in contrast to the modern bank. How we characterize and limit the entity of sparekassen will be described in the following.

Particularly we want to look at the institution of sparekasser previous to the banking law of 1989 which made banks and sparekasser institutionally equal under the law[54]. Previous to this they were lawfully separate under the law of bank institutions and law of sparekasse institutions.[55] A big event in the distinction between the two types of institutions happened in a change in the law of sparekasse institutions of 1975 which we also want to draw attention to in our definition of what configuration of sparekassen we want to examine.

5.11 Sparekassen as an Entity

Starting with the law of sparekasser and banks of 1975, the two institutions are made equal in all ways except the ownership of the organization. Banks were typically shareowned companies and sparekasser had to be self-owned institutions. Previous to this law iteration it was present in the law of sparekasser that they were to handle deposits in an especially secured manner.[56]

By law, they had as an institution to manage capital in a particularly careful way, which would often be considered towards real estate[57]. Furthermore, up to the law of 1975 sparekasser were also restricted in the size of unsecured loans they were able to give in relation to their equity[58].

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[54] Hansen, P. H. (2001) pp. 27-29
[55] ibid. 15-19
[56] Baldvinsson et. al. (2011) pp. 17-19
[57] Hansen, P. H. (2001), p. 25
[58] ibid, p. 86

The banking law of 1988 changed the last legal difference between the bank and sparekasse which was the ownership of the institution. Previously banks were typically share owned companies, now they are required to be so, while sparekasser had to be self-owned institutions. In short, sparekasser were said to be servicing the Danish agricultural businesses and smaller local businesses while the banks primarily dealt with larger businesses and industrial businesses, while typically also being the dominant money institutes of the cities.[59] In the time leading up to these law changes the agricultural businesses of Denmark had seen an increase of 2,2 % in the 1960s and 1,3 % in the 1970s. In contrast, the industrial businesses in Denmark had seen 6,7 % and 3,1 % in the same years.[60]

This meant that sparekasser's equity was under pressure which affected their ability to provide services in terms of capital to their core peers the farmers and local businesses, all while the local businesses were growing nationwide, requiring more capital than their local sparekasse were able to provide. In the same years, the amount of sparekasser in Denmark went from 496 to 176 mainly due to merging sparekasser in order to provide them with enough equity to then service their business clients with enough capital to support the growth they had been seeing especially through the 1960s.

The point of equity is particularly interesting in relation to the modern bank, as these are required by law to be a shareholder-owned company while a certain segment of the sparekassser for a long time leading up to the law of 1988, worked to have the last law changed that separated sparekasser and the banks which allowed them to be shareholder-owned companies.[61] This would allow them access to raise capital more efficiently which a lot of sparekasser wished for in order to service the higher demand for capital by their business customers.

[59] ibid, p. 22
[60] Ibid p. 35
[61] Ibid pp. 144-146

Other segments of sparekasser were more critical of this move as they feared that this would make them second rate banks.[62]

The type of sparekasse we want to examine in order to bring forth a contrast to the modern bank is sparekassen that is not a shareholder owned company. Furthermore, we find the law describing sparekassen to handle *"deposits in an especially secured manner"* to be of importance to the entity of sparekassen we want to examine. This type of sparekasse is legally a different type of institution from that of a bank, but we would argue that sparekassen as an entity upholds the four essential activities that make up a bank as described in Dansk Bankvæsen. Therefore, we have made a similar list of the parts that make up the entity of sparekassen and put it in contrast to our list of the modern bank.

Bank	**Sparekasse**
Shareholder owned company	Self-owned
Housing loan	housing loan
Consumer loan	Consumer loan
Payment solutions	Payment Solutions
Business loans	Business loans
Interest rates	Interest rates
Security	Security
Cash withdrawal	Cash withdrawal
Customer advisement	Customer advisement
Investment	
Pension	
Insurance	
Internet banking	
Phone applications	
Mortgage loan	

[62] Ibid pp. 47-53

Fractional reserve banking

Nem Konto

5.12 Risk Management

With capital provision it is largely understood the way in which the bank provides loans to their customers, be they business or private. This would include the type of loans like business loans, covered or uncovered personal loans, housing loans etc. It also covers the way in which this capital is provided for their clients. For the following section, we will examine how capital provision is related to the work of the modern Bank. Furthermore, we will contrast this to how it was done in the work of the sparekasse.

The first area we will be looking at is the capital going out of the bank through various loans. In this area, the differences between the bank and sparekassen are not major but have a few interesting departures. They share similarities in the fact that they each want to supply the capital to their respective business and private clients. Who those clients were did historically vary, as sparekassen typically had their clients within the agricultural business and local private clients while the modern banks today are less restricted in scope as to who and where they provide capital to. Taking the example of Jyske Bank A/S, the name may suggest regional activities, albeit a large region, but the scope of their activities covers all of Denmark, as does the rest of the Group One banks.

A major departure between the institutions of bank and sparekasse is to be found in the law of sparekassen that held until 1975 that had the institutions of sparekasser place their capital in an "*especially* secure manner". The version of the law for the banks omitted the '*especially'* part while still bidding them place capital in a secure manner. We want to use this distinction to ask the questions formulated by Heil to examine the opening of the world set up by the work of the modern bank. The first question we will bring forward is this.

What is measured in the bank? And what is success in the bank?

This presents itself interestingly in the departure between *how* secure the capital is handled. Starting with the modern Bank, Dansk Bankvæsen presents some interesting ideas on what the *business of banks* is in relation to risk and secure handling of capital.

> *Running a money institution is related to risk. It is part of the role of a financial provider to assume risk of various forms, to then on the basis of credit and risk assessments make a profit on an efficient handling of risk.*[63]

In short, what is measured in the business of banks and capital provision is risk. This seems largely to be about having the right framework to prospect risky situations hence the *efficient handling of risk*. The way it is put here risk becomes a negotiable currency when weighing potential earnings. A way this can be seen exemplified in investment banking is the calculation of beta values when prospecting a stock. Where a measured factor is created in order to track how the examined stock behaves relative to the amassed market in order to evaluate the risk associated with the stock. This base line market risk is perceived as unavoidable and also referred to as systematic risk. In this line of thinking when you acquire more risk, you do so because you expect a higher return. If you expect higher than average returns, it is done so by acquiring a higher than average amount of risk. For the question of what is measured, risk is measured as a factor in the expectations regarding returns.

Taking sparekassen as a contrasting example and their law for handling deposits in an *especially secure manner*. In relation to the question of what is measured in the company, it is then clear that risk certainly as with the bank would be a thing to be measured in sparekassen, however for a different reason. The *especially secure manner* bids them to relate to risk in a way that aims to eliminate risk. Where for the bank, risk seems to have the character of a currency. Within the world of banks, risk is openly negotiated. In the world of sparekasser risk is needed to have a relation to in order to avoid it which tones down the negotiation aspect of risk. A possible negotiation of risk does, however,

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[63] Baldvinsson et. al. (2011) p. 92

appear in terms of what can be said to be void of risk. In Per Hansen's work on sparekasser he describes that placing capital in an *especially secure manner* often meant providing secured loans that had their security in real estate. He proceeds to contest whether that in hindsight could even be considered especially secure at the time[64], and as we know with the financial crisis of 2007-2008 even real estate carries a certain level of risk. So perhaps thinking one free from the exposure of risk in a financial institution is not as practical as it is appealing. Going back to investment banking terms and the systematic risk of the market. In essence, it seems to describe that by being invested you are exposed to risk giving the system that we operate in.

This seemed to have also partly answered the work revealing question of the company of – "what is success and failure?" Whereas for both worlds of banks and sparekasser it seems to be success or failure when risk in capital provision has been assessed correctly or not. For the banks, it would be a success when the risk had been assessed in such a way that it carried with it the expected return. For sparekassen it would be a success when the risk had been assessed in such a way that it had been avoided altogether. Success for the company can further be revealed through the organizational ownership of the companies. The bank is a stock owned company and any newly founded banks are required to be so by law. Sparekassen is an autonomous institution which was also required by law prior to 1988. This organizational distinction is hugely important in the area of capital provision as the bank's historical advantage over sparekassen was its ability to raise more capital through the stock market to provide to their clients.[65] However, rapidly growing Danish businesses from the '60s to today had both the banks and sparekasser struggling in providing capital which resulted in massive merging within the sector.[66] The way capital is raised is important in the world that the works of banks and sparekasser set up which will be examined in the following section.

[64] Hansen, P. H. (2001) pp 34-54
[65] Baldvinsson et. al. (2011) p. 25
[66] ibid pp. 23-26

5.13 Role of Mission Statements

It is widely acknowledged that a stock owned company's primary business objective is to create a return on the shareholder's invested capital. In other words, it is deemed a success for the company when they create a profitable return on invested capital and a failure if they do not. In the world of banks, capital provision seem to have been made more efficient with this structure of the business but the world set up by the work of the institution may change with this efficiency. We will attempt to explore what is at work in the work of the bank in this particular area by asking the following question from our list of world revealing questions:

What does it mean to be a human being in the bank?

The modern bank as we have described it is a share traded company and we want to examine the role of the customer for the share traded company in light of the Heideggerian idea of the essence of technology's tendency of revealing things as standing reserve or assets. When the primary business objective is to create value for their shareholders an interesting relation is established with the customer. Firstly, it can be argued that the relation is in such a way that the company is naturally incentivized by this structure to produce the best possible product for their customers in order to provide their shareholders with the highest possible value. Since the value that the company ultimately is trying to create for their shareholders are depended on their relation and product they provide for their customers. Based on a market idea of competition, this ensured that the company will deliver the best possible service to its customers. As had they not, the market mechanism of competition will have another company succeed in their stead. Secondly, even within this line of reasoning, this caring for the customers' needs are still a bi-product of providing value for the shareholders. For the reasoning to be true it relies on the market mechanism of competition to be efficient and true in order for the bank to provide the best possible service to its customers.

Referring back to the question of what it means to be a human being in the modern bank, we don't want to imply that they are not focused on their customers experience with the bank as that is, of course, central to their core business, but it could be argued from the above that the client is only important for the share traded bank in so far as either direct or indirect source of profit for the bank can be traced to the customer. Not only can this be argued from this logic but various empirical examples from banks suggests that this relation between the bank and the client is affected by the logic of ‘valuable in so far as profitable’. Going a step further with this relation in Heideggerian terms, the clients are arguably ultimately revealed as *standing reserve* or *assets*, which is a tendency for a technology-dominated world to reveal entities as according to Heidegger. The type of world set up by the work of the modern bank by the characteristic of it being a share traded company is one that reveals clients as standing reserve.

In theory, the role of the self-governing institution of sparekassen, is to be free of the interest of ownership. This frees the institution from a mission statement such as creating value for their shareholders and instead leaves it open to describe a cause that is the purpose of the institution. This has the potential to form a relation between client and institution that at least in theory is not only interested in capital provision for their clients in so far as it is profitable for them but instead having it as an inherent aim beyond profitability. Sparekassen as we have described it no longer exists and the contemporary version of sparekassen is not as prominent as its past counterpart which naturally challenges the feasibility of such an institution in today’s banking landscape.

A contemporary example of trying to challenge the shareholder value-driven approach for the share traded company is a legal company type in the United Kingdom called Community Interest Company (CIC) which have the company commit to a cause beyond value creation for shareholders. It can still be a share traded company but with some additions that ensure the company’s commitment to the cause of their mission statement. For example, can they only pay up to 35% of the distributable profits in dividends to their shareholders.[67] So, it is a

[67] Department for Business, Energy & Industrial Strategy (2016)

legally committed social enterprise. Depending on how this mission statement is put in the case of a bank it could potentially alter how the bank-customer relation is, and what the work of the bank reveals customers *as*.

To sum up this section of the essential part of capital provision in the modern bank we saw a distinction between how capital out of the bank is handled in the form of loans and how capital for these loans are provided for. Putting the history of sparekassen as a contrast to the modern bank we saw how integral providing this capital is for the institution hence sparekassens issues keeping up with the banks due to organizational structure. How this capital is provided however may have other issues when it comes to bank-customer relations. In Heideggerian terms how the work of the modern bank has a tendency of setting up world that ultimately reveals customers as assets.

5.2 Payment Solutions

In this chapter, we will be investigating the current affairs of payment solutions and recent developments within this sector and how it affects the foundational understanding of banking. We will be focusing on the emergence of the phone as a new inflexion point of the payment process. We will start by outlining the current proliferation of different methods of payment in Denmark, then discuss some of the new entrants on the market. Finally, we will discuss the role of non-bank actors on a market that is traditionally understood as being well within the sphere of banking.

5.21 Current Situation

In Denmark the area of mobile banking that has seen rapid development since 2013. Data from the central bank of Denmark, Danmarks Nationalbank, shows that the amount of transactions conducted via mobile payments has increased much fold since its inception, reaching 134 million transactions in 2016.[68] This is in distinct contrast to cash payments between individuals, which, according to the report, has seen a 75 percent decline going from about 150 million transactions in 2009 to just about 40million 2016. It is clear evidence that the Danish population has taken the new technology to heart and plays well into the fact that Denmark is one of the most digitized and with one of the best availability of internet in Western Europe.[69] This feat is however dwarfed by Dane's favourite method of payment, Dankortet, the national debit card. Originally introduced in 1983 and reintroduced in 1988 as Visa/Dankort, using Visa for international trading with Dankort being the debit card for national transactions. In 2015 there were 5,8 million Visa/Dankort debit cards in circulation and in throughout the year 2016 there were conducted 1,2 billion transactions. Data from the subcontractor, Nets, shows that the number of transactions conducted via Visa/Dankort is even increasing slightly.[70] This could be because Visa/Dankort has quite a low amount of *friction* when used as a

[68] Betalingsrådet. (2019, Februray)
[69] Betalingsrådet. (2016, August)
[70] Christiansen, H. B., Dolberg, S., Hove, S., Rostrup-Nielsen, P., Stage, L. (2017), p. 100

payment option in stores. By ‘friction’, we mean all the manual work, experienced complexity and lack of transparency during the payment process that ultimately adds up to the fluidity of the transactions process. With the addition of NFC[71]-technology, Visa/Dankort has become a very fluid way of payment. You pay by just ‘tapping’ the payment terminal with your card and occasionally enter your PIN code. This is often even faster than opening up the MobilePay app on your phone and complete the transaction this way, thus the debit card is still going strong in Denmark. It is however between individuals that MobilePay has truly improved the fluidity of the transaction process. According to Danmarks Nationalbank, there were conducted 180 million transactions between individuals in Denmark in 2016, with 134 million, or about 74% of these, conducted via mobile platforms.[72] Representing not only the easiest solution for customers but were also cost-effective for the general society as a whole, as Danmarks Nationalbank calculated that each transaction via mobile payments represented a societal cost of 2,1 DKK per transaction. This is contrasting account transfers that accounted for a societal cost of 5 DKK per transaction. Account transfers did account for the lowest societal cost when taken into account the amount of money that was transferred on average, however. It is also worth noting that often mobile payment solution only initiate a payment process, like account transfers, but the experience is all-together completely different from traditional methods for the consumer, and the time needed to complete the transaction is vastly shorter. Their exact for calculating the societal cost for a given transaction method is available in the report cited in the footnotes, but a central factor in the calculation is the amount of time it takes for individuals in performing the transaction, roughly translating to the amount of friction involved. Making mobile transactions not only the most fluid way of transferring money between individuals but also the most cost-effective from a societal perspective.

[71] Near Field Communication, a technology that enables two devices to communicate wirelessly over short distances.
[72] Betalingsrådet. (2019, Februray)

5.22 The entrance of non-bank actors

In this section, we will be looking at some of the non-bank actors that are trying to penetrate the market in Denmark and some of the reasons for the emergence of non-bank actors on the field.

We will borrow the definition of non-bank actors from a report from 2016 about non-bank actors[73] made by the Payment Council, a part of Danmarks Nationalbank, that defined them as companies without a banking license that:

1) Provide payment-related services or
2) Provides services that are useful to users before or after payment.

The report concludes that non-bank actors don't have a strong foothold in Denmark and that the need for many people is met with the available options like MobilePay and Visa/Dankort. However, it also highlights the fact that the market can change extremely fast if a new payment solution is presented that meets a need that the consumers had. As was the case with MobilePay captured the market and garnered 2 million users only two years after launching their app. Today, they are sitting on most of the market and research shows that they might sit on as much as 97% of the market for mobile transactions.[74] Despite this, there are still cracks in their dominance. New entrants have only just begun their campaign for securing market shares. Just recently Denmark's largest bank, Danske Bank announced that they would enable the use of Apple's bid for mobile banking, Apple Pay.[75] That they are announcing the enabled use for one of their competitors might seem strange, but in reality, they have very little choice for the circumstances are not for protecting one's own technology anymore. In 2018 the EU decided that the banks had to open up their systems to enable other providers of payment transactions to utilise their infrastructure. Before this, many banks instituted on only they themselves should be able to conduct payments on their own systems. Now, they are forced to make their

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[73] Danish Payment Council. (2016, August)
[74] Kastberg, L. (2019, Februray, 17)
[75] Danske Bank. (Accssed: 2019, November, 15). Apple Pay

systems available for other entrants. These new entrants are often not banks, but tech-based companies. Some of them are the largest tech-companies on the plant, with the likes of Amazon, Apple and Google all offering their own banking and payment apps. It draws a picture of all the banking functions that don't rely strictly on skills within the banking sector is up for other specialists. In this case, making apps that rely on digital know-how rather than knowledge of banking means that banks aren't the natural apex predator in this arena. It also makes sense for large tech-based companies to invest heavily into these technologies as they are the ones that have a lot to gain from their development. The data generated by these apps are unquestionably extremely valuable and would allow companies like Amazon and Google to make incredible sophisticated targeted advertising that relates to your spending habits. Mind you, advertising and collection of big data are some of the world's largest industries[76]. It also serves to lower friction as the customers of Amazon can buy their products with just a single click of the mouse. In his book, Breaking Banks, Bret King emphasises the fact that the battle isn't for being the primary financial institution anymore, but instead, that battle is for becoming the primary financial app.[77] It enables tech companies to anticipate consumer behaviour that the banks then would have to pay the likes of Google to gain insight into this data. It means that non-bank actors are encroaching on a market that is usually well-within banking without the ambition of becoming bank-like entities themselves. Perhaps because this part of banking has evolved into a field that is more related to digital prowess, rather than skills related to banking. Tech companies are of course incredibly experienced in making user-friendly apps and delivering solutions that enhance convenience for the users, while also collecting valuable data for the developer - and also charging a credit fee of about 3%.[78]

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[76] Schriever, N. (No date, Accssed: 2019, November, 15). Ranking the biggest industries in the US economy
[77] King, B.. (2014), p. 112.
[78] Looper, C. (2019, May, 02)

5.23 A deeper look

In this section, we will analyze the current situation with the framework of Heidegger and Heil. It will rely on one the questions provided by Heil, and through concepts developed earlier, we will try to read the banking sector's current predicament and opportunities within the market of payment solutions.

Our working question goes:

What are the key decisions that lie ahead or need to be continuously made in the company?

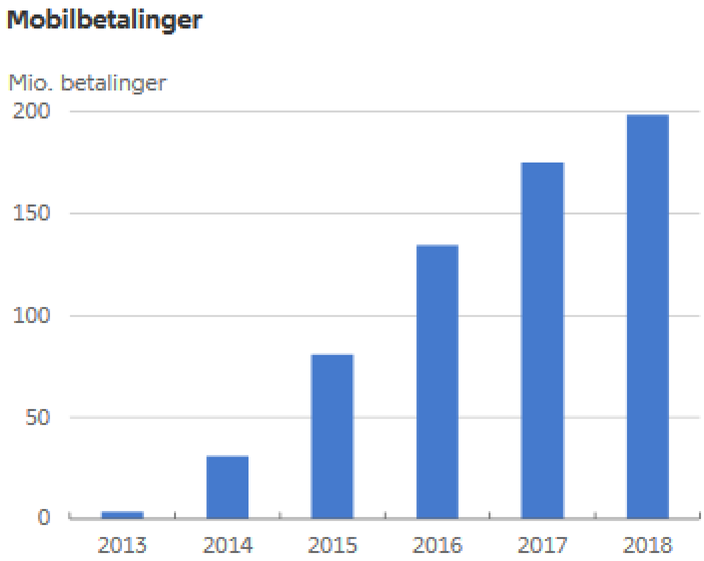

Figure 1: Amount of transactions conducted by mobiles, in millions. Source: Betalingsrådet. (2019, Februray)

We find the question fitting because it opens up for the understanding of many of the choices that banks are facing in a time of continuously digital disruption. One of the continuous decisions that need to be made is that of either developing digital solutions in-house or buy them from a provider. It is often extremely expensive to develop your own systems, due to extensive requirements to security, stability and robustness. It does, however, enable you to chose exactly what features it incorporates and to design the security yourself. Even when buying ready-made systems from a provider, you still have to make extensive security and stability testing.[79] It is often impossible for smaller banks to engage in system development on their own, and it is often left to group one banks to develop these new systems. One of these is, of course, MobilePay which was developed by Danske Bank single-handily, after they withdrew from the cooperation they had with the other banks about what later became Swipp. This was a very important decision made by the danish banks in developing their own mobile payment app,

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[79] Christiansen, H. B., Dolberg, S., Hove, S., Rostrup-Nielsen, P., Stage, L. (2017), p. 38

instead of waiting for third-party providers to take the market. The apps that we just now are seeing establishing their presence in Denmark, such as Apple Pay, Amazon Pay and Google Pay would have captured the market from the banks, had the banks not shown enough foresight to develop their own solutions beforehand.

The future of payment solutions seems to be entwined with the development of technology. It is this continuous presentation of new technological advances that forces banks to continue to make key decisions regarding the future that they envision for themselves. It is this constant decision-making in regards to securing your digital presence that we see has connections to what Heil translates from Heidegger as 'being ventured'. It is the notion that every truth is un-truth, that when we realize this and commit ourselves to this realisation, we gain insight from the unsettledness that we find ourselves in.

The moment we assume that the way things are revealed to us is correct in an ultimate way, there is no longer a need or a possibility for creating that which gives truth because truth is already given. There is also no longer need to attend the work because truth would then no longer be the standing within the unsettling of the truth happening in the work. Truth would be settled and therefore attendance to the work would be meaningless. But standing in the insight that truth is always untruth keeps us in a state of unsettledness. The standing in the unsettledness of truth as un-truth is what Heidegger calls 'being ventured'."[80]

It means that embracing this state of unsettledness is to acknowledge the danger that decision-making entails on this front. The continuous decisions that must be made by banks within this digital frontier will always be within the umbra of the unprotected. It is however also only here that authentic leadership arises. It is in the realization that a given situation can be approached from many given directions, that models and analysis unconcealed both truths, but also what is un-truth. MobilePay has shown to be a massive success, but it has also shown

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[80] Heil, D. (2011), p. 161.

that consumers can change habits and preferred way of payment in a very short time. The constant unsettledness of leadership in areas that both lie in the domains of programming prowess and banking prowess is especially prone to open up for the un-truths of decision-making. Every strategic analysis that shows that banking can be made more convenient, less complex, cheaper or faster by committing it to digital advances, also uncovers the inconvenient un-truth that tech-companies has a better case for increased involvement in areas that traditionally were left for the banks. This is all without them ever being interested in out-performing the banks as such, but rather motivated by the unsettledness that is present in this sector at this time.

"Because unsettledness and being ventured are the region where authentic decisions can actually be made, they become a centre of gravity."[81]

This fits well with what we're seeing today. Payment apps from various companies are the centre of gravity for the battle of payment solutions. The struggle for the frictionless payment method struggles on, with no given advantage for either the banks or non-banks. Both have skills that would qualify why they should be the vanguard of innovation. In Denmark, we've seen how the decision to make MobilePay has been a very important decision for the danish bank(s), but the unsettledness has not reduced as a result of this. On the contrary, it is up to the non-banks, and there's still plenty of innovation that MobilePay has to keep up with to stay relevant. Is its evident that plenty of actors are both capable and willing to take its position on the Danish mobile payment market at any given time.

[81] Heil, D. (2011), p. 162.

5.3 Wealth Management

In the following section, we will explore wealth management as an essential part of the modern bank and which activities performed by the bank that can be categorized as such. As with the previous section in the exploring of the essential part of the bank in the light of wealth management, we will do so in the contrast of a different entity. In this section, the contrasting entity will be of a slightly different character than the other sections as it will be the essence of what we call the primal bank. In Dansk Bankvæsen an account is given of the first money institute in Denmark.

”Under the wars (Napoleonic wars), the farmers had made enough money to put their savings in a savings bank instead of in their socks. The money received a 3% interest rate and the savings bank placed it in state bonds at 4%.”[82]

This is used as an origin story of banks to describe the very fundamental of how banking business started and how its function. Heidegger’s concept of work is interesting here as it is an entity that is not confined to its physicality as Heidegger exemplifies with the work of Van Gogh’s painting of a representation of peasant boots. As is the case of what we call *the primal bank* a tending to an idea of how banking is. it is the work of a bank that has its origins in taking deposits from clients with the benefit for the clients of a certain interest rate. In this case, the bank buys government bonds that yields an interest rate just above what they pay to their clients. This earns the bank a marginal interest profit in the difference between the two interest rates. The capital could have also been placed towards business or private loans within our definition of *the primal bank*. The importance lies in the way the core business model of the bank is in its earnings created through marginal interest.

5.31 Banking in a Negative Rate Environment

For the modern bank, this sort of work of *the primal bank* presents itself in an interesting way as it departs in some major areas with this idea of what banking

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[82] Baldvinsson et. al. (2011) p. 21

business is. Firstly, we are in Denmark witnessing a historically high deposit surplus. Especially deposits of private clients are making up the overall deposit surplus.[83] The majority of the private deposits are placed in a current account of which also the majority have an interest rate of 0%.[84] In Dansk Bankvæsen's reasoning about the high rate of deposits in Denmark they say this:

> ”There is reason to expect the competition for the deposits to increase the offers on deposits with higher than usual rates, and with the ease of transitioning from one bank to the other.”[85]

Given their previous account of the work of *the primal bank,* this is a reasonable assumption, as the business of banks is created in the marginal interest rate between interest on deposits and the interest earnings from where they strategically decide to place their capital. In the landscape of the bank however how the bank handles interest on deposits are quite different. We already referenced the data from Danmarks Nationalbank stating that the majority of current accounts offered by the banks have an interest rate of 0%. But furthermore, private accounts that hold more than 7,5 million DKK in Jyske Bank have recently been subject to a rate of -0,6%, and other banks have discussed following the example.[86] The reason for this has been pointed towards the negative rate given by Danmarks Nationalbank since 2012.[87]

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[83] Danmarks Nationalbank (May 30. 2017)
[84] Danmarks Nationalbank (May 30. 2017)
[85] Baldvinsson et. al. (2011) p. 27
[86] Møller, B. (2019)
[87] Ritzau (August 23. 2019)

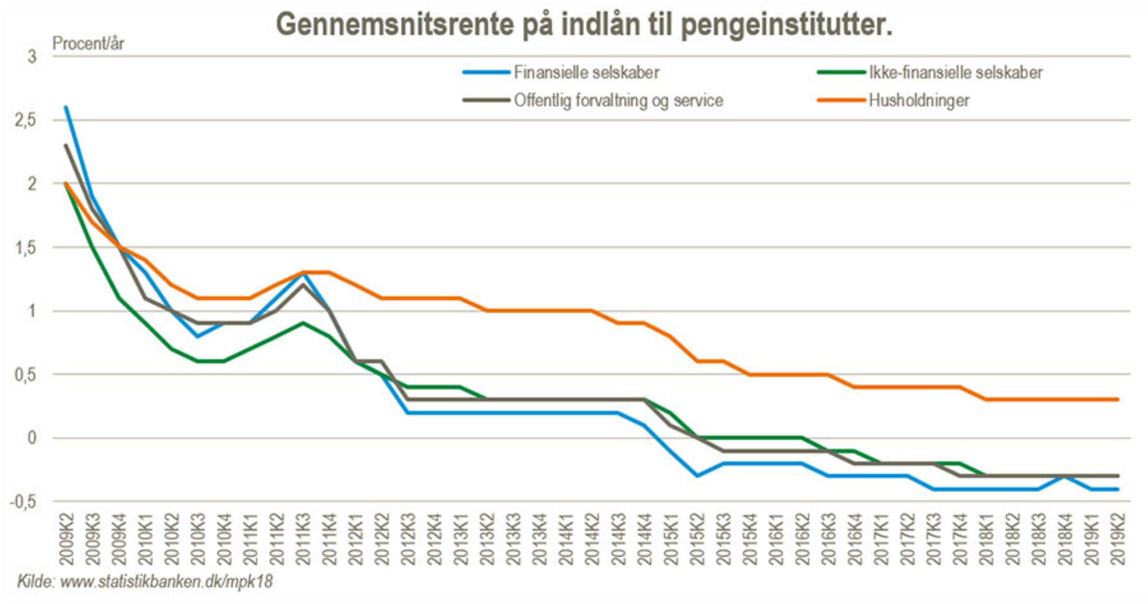

Figure 2: Average rate on bank deposits. Source: Statistikbanken.dk/mpk18

As can be seen from the graph business accounts with the banks have been subject to a negative deposit rate since 2015-2016 whereas the private accounts collectively are sitting at around 0,3% with a declining trend over the past 7 years. On the issue of these negative rates, a report has been made by Citigroup predicting that the negative rates by Danmarks Nationalbank will cost Danske Bank 750 million DKK this year alone. The business model of the primal bank seems to be less relevant for the modern bank. Looking at the sources of earnings from the banks the past 15 years seems to support this.

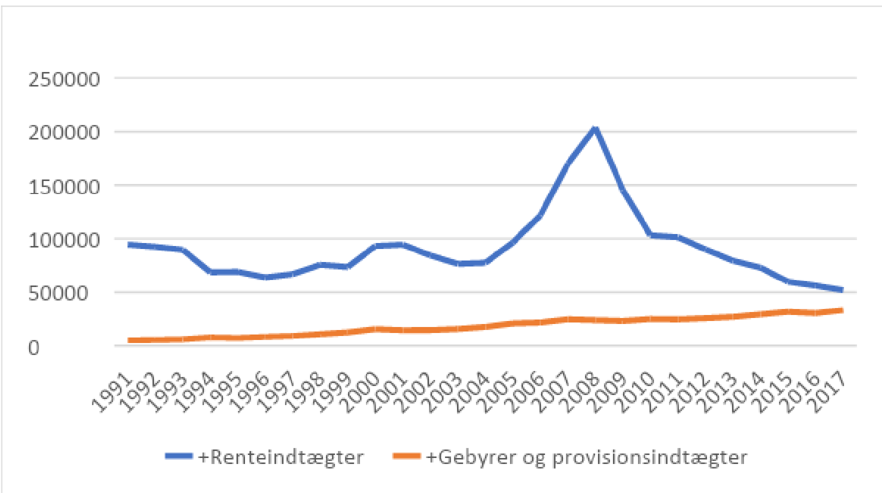

Figure 3: Bank earnings in relation to rates and fees. Source: Danmarks Statistik: https://www.statbank.dk/statbank5a/SelectVarVal/Define.asp?Maintable=MPK39&PLanguage=0

Fees and provision have gone from a seemingly unimportant source of earnings for the banks in the early '90s to almost be an equally important source of income as interest rates. Furthermore, fees and provisions are trending upwards while interest earnings are trending downwards.

5.32 Are Fees the Answer?

In an inquiry made by TV2 as response to the drastically rising fee earnings for the banks, they categorized some of the fee types. Two of the top categories are wealth management and the trade of stocks and bonds which today is arguably related. Beyond those two categories are fees on larger loans, payment transactions and general fees for having accounts and payment cards.[88] In thinking of the types of fees it can prove useful to draw on a distinction of the bank's activities made by Dansk Bankvæsen:

"During the last 20 years we've seen an expansion. We now see activities that the money institutes do in competition with other financial institutions on the market, including realkreditinstituttier, insurance companies, investment firms, leasing firms and not least international financial institutions."[89]

The distinction made here is between a money institution and a financial institution. These have historically been separated but as pointed out in Dansk Bankvæsen, since the 90's the Danish banks have gone from being primarily money institutions to money institutions and financial institutions in one, including functions such as realkredit loans, insurance, investment and leasing. Interestingly these *secondary* functions to the bank is mostly among those highlighted by TV2 to be the main sources of their increase in fee earnings.[90]

Looking at wealth management today for the modern bank we are seemingly past the world set up by the work of *the primal bank* as primarily earnings made on marginal interests between deposits and loans. In contrary the interest rates are declining on deposits going as far as having negative rates in some instances.

[88] Mosskov, M. (2016)
[89] Baldvinsson et. al. (2011) p. 91
[90] Mosskov, M. (2016)

In the department of wealth management there seem to be a push towards investment and real estate. It can be investment through the so-called wealth care known in private banking where they handle the investment based off of a risk preference with a fee and provision cost.[91] It can also be investment through stock and bond trading managed by yourself but facilitated through your bank, which equally carries provision fees.[92] The push towards real estate is highly apparent when viewing Jyske Bank's newly announced 10 year negative interest rate mortgage loans.[93] Which means you over the course of 10 years can get a mortgage loan at Jyske Bank A/S through Jyske Realkredit A/S at 99,5% of what you initially took out as a loan. This is where the work of the primal bank is turned upside down. The bank will essentially charge you money for storing money in their bank and pay you money to take a mortgage loan with them. This seems to paint a picture of an incompatibility of the work of the primal bank with the environment of the bank. A shift from earnings made off interests in a classic money institution setting to a larger institution providing a much wider variety of services that earn a fee income from the interconnectedness of the services provided by the institution.

Examining the *work* of the two different types of institutions the following question based from our framework serves to present an opening of the *world* of the modern bank, to help bring forward what the happening of *truth* is relating to this *work*:

What is important and what is unimportant in the bank when profit on wealth management shifts from interest rates to fees?

We will start looking at this question through what was previously referenced from Dansk Bankvæsen about the business of banks, where they relate it to be that of risk management. That statement interestingly takes a stronger foundation in the idea of what we described as the work of the primal bank. As a capital intermediator they weigh risk and place capital in a way that effectively

[91] Danske Bank Private Banking (November 15. 2019)
[92] Danske Bank Investering (November 15. 2019)
[93] Jyske Bank (August 5. 2019)

handle risk and create earnings for the bank. From this, risk management as the business of banks is arguably a *truer* statement in a Heideggerian sense as an essence of the bank in the world of the primal bank. It is not to say that for the modern bank risk management is unimportant as they still need to manage risk as the capital needs to be placed in a way that it does not default. But they are decreasingly making their earnings on this marginal interest in handling capital. Due to this it is arguably a *truer* statement for the primal bank that the business of banks is risk management.

For what is *truer* for the modern Danish bank is arguably that the business of the bank is to stay relevant as mediator of capital. When asking what is important for the bank whose main earnings is heading towards coming from fees, then 'activity' seem to be crucial. Activity covering services as transactions, restructuring loans, wealth care and providing an increasing number of different products. As mentioned earlier. one of the biggest sources of fee income come through restructuring of realkredit loans with the bank's customer's loans. This sort of activity was provided namely through a larger interconnectivity between banks and realkredit institutions, and is also a source of increased activity and service the modern bank needs to provide in order to stay relevant as a mediator of capital in a fee oriented environment.

If we circle back to the bank for which it is true that risk management is their main business, having good prospects of where to put capital is increasingly important. When providing capital through loans they want to make sure that the prospect of these loans being paid back are good. That would include personal loans, business start-ups being successful and existing businesses thriving. Furthermore, the banks are dependent on a serviceable rate from Danmarks Nationalbank alongside good long-term bond options. In the current environment we are in, as we referenced earlier, the rates provided by Danmarks Nationalbank on their so called inskudsbevisrente is and has been on a historically low point for years and on September 12th 2019, they lowered the rate to the historically low point of -0,75%.[94] This is the rate at which the banks pay to have money placed in Danmarks Nationalbank.

Finans Danmark, the lobby organization for Danish banks had hoped for better terms in this regard, but change did not come about on september 12, 2019 and Lars Rhode the governor at Danmarks Nationalbank addressed it with the following statement:

"The surplus of the central bank goes to the state. If the banks want further compensation that would mean a transfer from the state to the bank. That is hard to justify when the banks earnings are continuously doing well."[95]

He further notes that the role of Danmarks Nationalbank is to perform monetary policies and not to be the support that drives earnings of banks. And finally, the article concludes with a quote where he makes it clear that he is aware that negative rates appearing on private accounts is a topic of concern, but that this is not the a decision made by Danmarks Nationalbank and their rates but is on the other hand up to each individual bank and how they want to operate in the environment of negative rates.[96] Should one take a critical stance to his statement, it seems to be akin to an analogy of flicking a piece in a row of domino bricks and not take responsibility for the later falling pieces. With banks being privately run businesses that are responsible to present strong fiscal results, it seems unsurprising that a loss in earnings in one area needs to be made up for in another. The world set up by the work of Danmarks Nationalbank seem to be one that is purposefully disconnected from relating to being, and judging from Lars Rhodes stance on it, they themselves relate to the work as one that should be disconnected. They have a certain goal related to inflation and currency value with a specified set of tools to reach that goal. Furthermore, the world set up by the work of Danmarks Nationalbank has a big effect on how the banks seemingly have adjusted their business model and the work of the bank itself. The basis of doing business on risk managing the marginal rates are dwindling but the

[94] Danmarks Nationalbank (November 15. 2019)
[95] Ritzau (September 02. 2019)
[96] Ibid.

banks' earnings are still going strong due to evolving their business model to include fee earnings.

5.33 The Cost of Having a Bank

How the bank reacts to the rate set by Danmarks Nationalbank has a particular work revealing character to it. Lars Krull who is senior advisor and bank expert at Aalborg University made remarks in response to the continuous negative rate of Danmarks Nationalbank and how it may affect private accounts. When seen through the work of the primal bank with the work of the modern bank shows a truth in how the two relates to being;

"That wont work for your or my deposit account. It is private customers the banks earn the most from due to especially housing and car loans. You normally expect an advantage with having your money in the bank in the form of interest, but if that is negative then starts the considering of the costs of being a customer in the bank. That is dangerous territory for the banks, that won't end well for them."[97]

Taking into consideration what was previously referenced that the banks from the early 90's, and rapidly so the last few years, have been in a transitional time of shifting their earnings from interest rates to fees and that a lot of these fee earnings are made in less than apparent ways on private customers.[98] So according to this, we are already at a state where being a customer at a bank is a costly affair. However, according to the statement from Lars Krull, the banks are concerned for their customers to be confronted with the fact that it is not a net positive for them economically to be a customer with the modern banks as it would be according to the work of the primal bank. The primal bank relates to the entities of customers in a relation of a double surplus. Both the bank and the customer profits from the relation while the bank provides services to the

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[97] Ritzau (September 12. 2019)
[98] Boesgaard, M. A. (2018)

customer. In the world set up by the work of the modern bank the customer is revealed as being in need of the services of their bank and is ultimately paying for it mostly through fees. In a Heideggerian term the world set up by the work of the modern bank reveals the entities of customers as *assets*. This revealing however can be read through Lars Krull's statement as one the banks are quite aware of and is avoiding a confrontation of by tending to the work of the primal bank. Not by performing it as that seem impossible in the current environment of negative interest rates, but in accustoming their business model to steer clear of negative rates on people's current account, in a way that tends to the idea of the work of the primal bank.

To sum up this section on wealth management we located which functions of wealth management we found to be essential for the entity of the modern bank. Furthermore, we developed the concept of the work of the primal bank to place as a contrasting part of how wealth management relates to being in the world set up by the work of the modern bank. We defined the work of the primal bank to be that which wealth management plays a central role in the business model of the bank. Wealth with the bank creates an interest income for the customer provided by the bank, while the bank in turn produces a larger income on interest in allocating the capital wisely in relation to risk. We found the environment of the modern bank to weaken if not make impossible to perform the work of the primal bank due to the low interest rate presented by Danmarks Nationalbank. Wealth management for the modern bank seem to push for placing wealth towards various forms of investment where the bank will make an earning on fees. We saw interesting indications that this work of the primal bank is something that is tended to as an idea that is helpful to preserve but becoming increasingly impossible to perform.

5.4 Customer Advisory

In this chapter, we're going to investigate the service of customer advisory. What we mean by customer advisory, is advisory for the customers of the bank regarding loans, purchase of housing and, and most importantly for our thesis, investment in stocks and other financial products. To fit within the scope of this thesis and because of its dramatic development lately, we will confine our study to that of *investment advisory*. The beginning of this section will start by presenting common practices of investment advisory and its current situation. Afterwards, we will focus on the case of the Flexinvest Fri scandal that shocked Danske Bank as an organization, and like a stone thrown into calm waters, renewed ripples of speculations about the role and honesty of investment advisors. The last part of this chapter will be an analysis where we use the concepts from Heidegger and Heil to look further into what it is a stake here. In this last chapter, we will be asking: "What constitutes success and failure in the company?"

5.41 Investment advisory: Trust and truth

Investment advisory has a peculiar position in the world of banking. It is an immediately logical extension of the services provided by the bank. The ones that are banking your money might as well be the ones providing advisement on how to best invest them. The symbiotic relationship should also be obvious in the sense that by advising you how to best invest your money, the bank also gains assets by increasing the worth of your account through successful investment. It sounds like a straightforward arrangement, but as with most things in the banking sector, it's more complicated. What is meant by investment advisory harbouring a peculiar posting in the world of banking, is that it relies on trust to the bank, and in particular, the adviser. One would argue that many things with regards to banking rely on trust, you could say that having just had your account in any given bank is a sign of trust to that bank. That, however, is trust in how the bank operates, that they value stability, that they don't overreach or don't invest in any single sector to the degree that they get overweight in that sector. That is trust in their daily operations and that they wouldn't gamble the livelihoods of many employees. This trust has been misplaced several times in the past and does indeed qualify the fact that doing any business with a bank is fundamentally a sign of trust. In this chapter, we would still argue that there's a much more intimate kind of trust involved with regards to investment advisory. The advice that is provided by the banks is concerning your economic standing alone, it does not impact the bank in any meaningful way if your investments turn out to be blunders. There's also the fact that if the bank turns belly up, Danish bank customers have the protection of the *Indskydergarantifonden* which is a fund that guarantees bank customers up to 750,000DKK of their deposited money in the case a bank collapse. We, therefore, see the relationship of trust not merely as pronounced in the case of opening the bank account in a bank, as you would rather just have to trust that your money is refunded in the case of bankruptcy. In the case of investments, however, you are guaranteed nothing. The advice given to you by the banks has nothing but the expertise of the given bank and its advisers to back them up. This means that customers are often more wary about choosing who they get their investment advice from and doesn't always make the banks the default choice.

From the customer's perspective, there's often a concern about the advisor's impartiality and independence from the bank's interest. It is sometimes unavoidable that investment advisors have to fit in within a double role in the advisory process. They are not required to advise about the financial products of their competitors, but they are obligated to inform their customers about this from the very beginning of the process.[99]

At many companies in Denmark, it is forbidden to pay the employees that advice private customers a bonus based on their ability to sell financial products, and if they still do, they're obligated to inform the customer about this.[100]

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[99] Christiansen, H. B., Dolberg, S., Hove, S., Rostrup-Nielsen, P., Stage, L. (2017), p. 118
[100] Christiansen, H. B., Dolberg, S., Hove, S., Rostrup-Nielsen, P., Stage, L. (2017), p. 119

Trust is the central aspect with regards to investment advisory is very striking in the latest case of mismanagement of that trust. The case is that of Flexinvest Fri, an investment product provided by the largest bank in Denmark. Flexinvest Fri is an actively managed mutual fund where the bank invests its customer's money in accordance with a framework that has been agreed upon with the customer with regards to risk willingness and timeframe. We choose this as a case because of its scandalous nature and the ramifications of the scandal. Danske Bank estimated that the customers who invested in Flexinvest Fri would likely get a lower yield than having their money in a zero-percent account. Especially because they raised the fees associated with the product, effectively eating away any profits made by their investments. After realizing that their product was estimated to perform poorly, they reported it to the Danish Financial Supervisory Authority (DFSA), but failed to inform their current customers about their estimate and even kept selling it to new customers without informing them about the low expected yield. This wasn't any simple misunderstanding or fluke either, it was a full-blown scandal that ended up costing the interim director Jesper Nielsen and the chief of business development within Danske Bank's wealth management, John Glottrup their job. Jesper Nielsen was the director of Danske Bank's activities in Denmark at the time when the fees were raised and took the mantle as interim CEO after Thomas Borgen stepped down following the money laundry scandal that was unfolded in 2018. This doesn't mean that these were the only people responsible for the scandal, but rather that anyone else involved had already left the bank.[101] The immediate dismissal of such a senior employee in Danske Bank shows that the bank is well aware that trust is of the essence and that regaining it is of paramount importance. Many actors within the same sector lambasted Danske Bank for shaking the trust of the consumers that is so essential for conducting business in that sector.

[101] Martini, J. & Brahm, K. (2019, August, 15)

In an announcement by the director of Danish The Danish Financial Supervisory Authority, Jesper Bang regarding the reporting of Danske Bank to the State Prosecutor for Serious Economic and International Crime, he stressed that Danske Bank had shaken the trust of their customers. He did also present an interesting description of the current predicament that banks find themselves in:

It is essential for the trust of the consumers that the counselling given by the banks are candid. The latest development in interest rates has put forward significant demands towards the bank's advisory regarding the sale of wealth products. The challenge is especially troublesome because the consumers have an alternative in the shape of a deposit account, that with our current interest rates is for many a quite attractive savings product.[102]

His statement is a highlight of what is fundamentally at stake in the matter. The banks are being hard pressed by the negative interest rates and try to seek revenue elsewhere. On the other hand, they have squandered a significant amount of trust in their pursuit of this new revenue.

Simon Kollerup, the Danish Minister of Industry, Business and Financial Affairs, has also been vocal about the case and spoke in even clearer terms when addressing what is stake in these cases: "The financial sector must understand that the trust of its consumers is the entire foundation of their activities and what justifies their existence."[103]

Other players within the industry have also been extremely displeased about the events that unfolded. The vice-chair of Financial Services Union Denmark (Da. Finansforbundet) Michael Budolfsen stated that the case isn’t just costing the customers money through bad investments, but also eroding the fundamental trust that investment advisers are reliant on[104]. The Danish Consumer Council, Forbrugerrådet Tænk, has also chimed in with their critique of investment advisors, lambasting the fact that you can’t trust if the bank is recommending

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[102] Finanstilsynet. (2019, August, 30)
[103] Ritzau. (2019, August, 30)
[104] Jensen, F. (2019, September, 13)

you to invest in something because they believe it will grow your fortune, or if they recommend the investment based on the interest of the bank.[105] Even the director of the Danmarks Nationalbank has been joking about that most people would rather visit their dentist than their bank adviser.[106] Other investment advisors were also outraged by the blatant disregard for the customer's interest. One could argue that in many other industries, that the downfall of one of your competitors should be a competitive advantage, as it would mean that their customers are looking for a new provider of that given service. In this case, however, there's something else at stake. The revelation of Danske Bank's practice as put into question the whole profession of investment advisory. Scandals like Flexinvest Fri runs the risk of changing the "background" that customers have when they sit down with their investment advisor. Using Heidegger to understand what is going on in a more precise way and to articulate how this practice ultimately reveals parts of what is at work in the work of the bank. With the case of Flexinvest Fri, it's clear that there is a 'world' of investment advisory taken for granted was in this case that the banker was an advisor that looked at many different opportunities for investment, where it then would recommend the opportunities that were in the customers best interest.

5.42 Mutual funds

To help us understand how this affects the ontological foundation of banking, we use Heidegger's term of *truth*, which should be understood rather as trustworthy, genuine, integrity, honesty, rather than a measure of correspondence.[107]

Advising customers to buy investments that are expected to lose the customer money is 'incorrect' in the sense that they are saying something that isn't corresponding with reality. That they say that this is a wise investment strategy, while in reality it isn't is lying.

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[105] Berlingske Business. (2019, September, 04)
[106] Kailay, S. S. (2019, September, 13)
[107] Heil, D. (2011), p. 54.

Moreover, could it be ‘false’? Could it be 'untrue' in the sense that the advice is given opens for a being that is in contrast to the truth that the banks have worked tirelessly to create? The understanding from the outset is that your bank should be seen as your experienced investment partner. While in reality, their advisory, in this case, has challenged this understanding and instead opened up for a fundamentally different "truth" that the investment advisory is just a sales situation. That they aren't that interested in how your investment performs or if the yield is even positive. The proposition is now that the bank isn't your investment partner but instead has become the salesman. What they *do* care about, it seems, is selling the financial product to as many customers as possible. Not that there's anything inherently evil or malicious in the character of the salesman, but it has the potential to catch consumers on the back foot if they're are not aware that they are not talking to an advisor, but rather the salesman. Looking at it from this perspective, it helps us makes sense of why the other investment advisory companies are being so proactive in their condemnation of the practice of Danske Bank. It makes sense that they worried about the 'truth/untruth' that might be established in the world of investment advisory if the relationship becomes that of the unapologetic salesman and the suspicious customer. Banks that are trying to recover the income lost by the low-interest rates by charging their customers increasing amounts of fees, and in that process causing the customers to question the core business of the bank are depleting a very valuable resource that is hard to regain once lost. Trust is a very finite resource that can be expended very quickly indeed.

It has also become easier than ever to invest, both regarding conducting the trade in a practical sense, but also when one considers the amount of information that is available to investors. There's also plenty of investment communities, especially online, that has no shortage of advice as to how to adjust your portfolio. And who is better to advise you than someone that is buying the same stocks that he is recommending himself. To be sure, this isn’t foolproof by any means, and the outcome of investing on behalf of this person’s advice might disastrous, but there's no question about his honesty or incentives in this regard as he stands to lose as well.

The question that we believe brings the most insight into this case is the question of: “What constitutes success and failure in the company?” In this case, however, we will not think of it as what is perceived as having success or failing as an employee of Danske Bank, instead we use the question to investigate what is perceived as success in the situation of investment advisory. It evident from our case that there are situations within investment advisory where the supposed partners are having very different criteria of a successful outcome. The case of Flexinvest Fri has brought renewed attention to the business proposition of mutual funds in its entirety. Very few of the actively managed Danish mutual funds manage to beat the market. According to an article by FinansWatch, the global stock market, measured within the Morningstar-category of “Large Cap Blend”, had an average return on investment (ROI) of 11,8 percent over the last ten years. Only four Danish actively mutual funds manage to beat this, with one of the mutual funds, Formuepleje Limittellus, having an ROI of 12.1 percent. Meaning that, depending on your expectations, only three actively managed mutual funds beat the market.[108]
As is mentioned in the article, this data only considers mutual funds that haven't been closed during these ten years. The number of poorly performing mutual funds has likely been even higher than what is presented in the table, but they simply closed due to their performance. As the numbers are right now, a staggering 82 percent of Danish actively managed mutual funds fails to beat the market, with only 18 percent succeeded. That this many mutual funds, with these results, are still operational and has investors leads us to a very relevant question that is also asked in the article by FinansWatch, here quoting Nikolaj Hold Mikkelsen, a self-employed investment advisor:

Though the results don’t really surprise me, they’re still an embarrassment for the mutual funds, and when these kinds of funds are still selling, it yet again questions if the interest of the customer is still the highest priority or if other considerations are weighed more heavily.[109]

[108] Hedelund, D. (2019, November, 13)
[109] Hedelund, D. (2019, November, 13)

Running the risk of broadening our analysis, the question could be asked if there's a problem within the industry of investment advisory that runs deeper than just the advisors. There's almost an unholy alliance between, mostly, unprofitable actively managed mutual funds and investment advisers that seem to keep pointing new customers their way. As far as we can see, it has more to do with banks seeking new sources of revenues in a time where traditional sources are drying out. The fees that are imposed on those who invest through mutual funds have traditionally been a very lucrative source of revenue for the banks, but in an environment of negative interest rates, it is highly likely banks wants to further capitalize on this source of revenue. The director of FSA even says that the Danish banks are being "slowly choked" by the current environment.[110]

BLS Invest Globale Aktier XL	↑	15,5
Maj Invest Value Aktier	↑	14
LI Aktier Globale II	↑	14
Formuepleje Limittellus	→	12,1
Benchmark: MSCI ACWI USD		**11,8**
Nykredit Invest Globale Aktier SRI	→	11,8
Danske Invest Engros Global	→	11,7
LD Globale Aktier	↓	11,2
Danske Invest Global Plus	↓	11,1
ValueInvest Global A	↓	11
Maj Invest Vækstaktier	↓	11
Independent Global	↓	10,9
Nordea Invest Aktier Udb	↓	10,9
Danske Invest Global StockPicking	↓	10,7
Alm. Brand Glob. Aktier Etik	↓	10,5
Jyske Invest Globale Aktier	↓	10,5
Jyske Invest Favorit Aktier	↓	10,4
Danske Invest Engros Flexinvest Aktier	↓	10,3
Amalie Invest Global	↓	9,8
Lån & Spar Verden Selection	↓	9,2
BankInvest Basis Globale Aktier	↓	8,9
MS Invest Value Aktier	↓	8,6

Table 1: Performance of actively managed mutual funds since 2009. Made with the data from Hedelund, D. (2019, November, 13)

The situation is that mutual funds are very lucrative for the bank to sell to investors, but also that mutual funds are having a hard time making any money for their investors. This leads to the establishment of a truth/untruth that isn't expected by the customer, what he expects to be unconcealed from the advice of the investment adviser is concealing the situation of a whole industry in trouble. The way that investment advisors in the case of Flexinvest Fri were articulating

[110] Olsen, S. M. & Lund, M. (2019, November, 13)

the entities of their mutual fund, was concealing what it was within the world of the banks. An excellent investment. For the customer, however, the money wasn't 'put to work', instead, the money was consumed by fees and low return on bonds. Investments advisory has the potential to guide money to where it can be 'put to work' as much needed capital in new ventures, but given the huge incentives for the bank to continue to push mutual funds, it can also relegate money into ‘inaction’.

5.5 Money Creation

In the following section we want to move beyond the four essential functions of banking as described in Dansk Bankvæsen and define one of our own. It is related to and could possibly be contained within the chapter of capital provision. However, the way capital provision is framed in the literature we have referenced so far, does not refer to it in terms of money or capital creation. The following will then be an examination of how banks in their activities of capital provision, create money, and what that means for the work of the modern bank.

Much literature in describing how money is created will refer to central banks and their role in creating the physical money supply being notes and coins. In Denmark the physical money supply only accounts for around 5% of the total supply of fiat money[111], so when a growth in the money supply of Denmark happens it is not accounted for through the supply of new physical money from Danmarks Nationalbank. The mechanisms for how this works can be found from mainstream sources such as Bank of England[112] and Danmarks Nationalbank. They both describe how money is created by banks through loans. Danmarks Nationalbank goes as far as saying they are uninterested as part of their monetary policy to follow the Danish money supply and let that be privately regulated by banks.[113] However there is an interesting distinction that happens in the description of how money is created in - what comes first, the deposit or the loan? This question with the extension of what that means for the work of the bank will be raised in this section. When Hugo Frey Jensen, one of the governors of Danmarks Nationalbank addressed the question of the creation of money in private banks, he addressed the issue as being a question of supply and demand, which he saw best handled in our current enviroment by private banks in the market. As an extension of that we want to explore what the view of money in terms of supply and demand entail for the work of the. Additionally, we

[111] Bang-Andersen et. al. (2014)
[112] Bank of England (November 15. 2019)
[113] Danmarks Nationalbank (September 23. 2014)

will explore the legal landscape related to banks and their creation of money through loans.

5.51 Fractional Reserve banking

When private banks are said to be creating money through loans, it can be understood through a type of banking referred to as fractional reserve banking. In this explanation it is shown how an initial deposit from a private person to a bank of say 1,000 DKK, is made into 10,000 DKK in the economy through a continuous cycle of loaning and deposits. Of the initial 1,000 DKK the bank can loan out 900 DKK to another customer and needs to hold a reserve of 10%, hence the name fractional reserve banking. Assuming these 900 DKK is spent and ends up as a deposit with another customer, 10% needs to be held in reserve, and the rest can be loaned out. When the cycle have been repeated fully the 1,000 DKK will potentially have been turned into 10,000 DKK, and an expansion in the money supply of 9,000 DKK.[114] While most explanations agree that this is the mechanism in which private banks creates money criticisms of this explanation of money creation through fractional reserve banking exists. Firstly, few western countries have a fractional reserve banking system in place and the amount the bank can loan out is regulated through different means such as capital requirements, but the example of fractional reserve banking serves to offer an easy to follow way of explaining modern money creation. Secondly, the fractional reserve explanation of money creation has the money be created through the means of a deposit. In a system of capital requirements, the answer to the question of which of the loan or deposit comes first, is more ambiguous. For the work of the bank this could equal the difference between creating money in their own rights or creating money through managing the risk in loaning out a fraction of a deposit.

[114] Kagan, J. (2019)

5.52 Capital Requirements in a Danish context

When viewing this explanation in a Danish context it can be argued that the explanation of fractional reserve banking manages to explain how loans initially creates a deposit and with it the expansion of the money supply. In a Danish context however it fails to explain which mechanism that limits the bank's potential supply of money. The system is more complex than holding 10% of a deposit and consists of multiple risk assessments that are internationally determined in the EU's CRR (Capital Requirement Regulation)[115] on the basis of recommendations such as those from the Basel committee.[116] The CRR according to the EU is an assessment to make sure banks set aside enough capital in order to cover unexpected losses. Expected losses is already considered to be integrated into the bank's accounting. The unexpected losses are accounted for in a risk weighing of the assets held by the bank.[117] So instead of the system in fractional reserve banking where a consistent 10% of assets are kept in reserve, the capital requirements for the specific bank is a risk assessment based off the specific assets held by the bank. With a higher risk profile comes a higher capital requirement.

An interesting distinction arises in the difference between fractional reserve banking and that through capital requirement based on risk weighed assets. With fractional reserve banking we observe the mechanism of how a loan initially becomes a deposit and depending on what is done with this deposit it could potentially lead to another loan and subsequent deposit. In the explanation of the case of fractional reserve banking however the chain event of loans and deposits are only warranted through the initial deposit of 1,000 DKK. The capital requirements legislation however shows to be more open ended about the functions of the operation. If you are holding capital as a bank, you have the mandate to create money in the form of loans all according to how risky the assets are judged to be. With the banks' main operational income on the course

[115] Christiansen et. al. (2017) p.52
[116] Finans Danmark (November 15. 2019)
[117] Council of the European Union (November 15. 2019)

for coming from fees this further clouds the type of capital or money that warrants the creation of new money. In the explanation of fractional reserve banking it can be argued that the bank is still in a classical understanding of the bank as an intermediary of capital, as deposits are what start the events of loans that potentially leads to capital expansion and money creation. But when the expansion of capital is not fixed as fractional reserve banking, the bank can be argued to be the supplier of money.

5.53 Danmarks Nationalbank's view on Money Creation

Danmarks Nationalbank has made commented on the state of money creation in a Danish context which especially raises topics for discussion in the light of the current scene of negative rates as problematized in previous sections.

Mens sedler og mønt er udstedt af Nationalbanken, er den resterende del af pengemængden resultatet af transaktioner mellem aktører i den private sektor. Eksempelvis vil en transaktion, hvor en husholdning eller en virksomhed optager et lån i en bank, ofte i første omgang føre til, at indlånet i banken og dermed pengemængden stiger.[118]

The statement is part of a publication from Danmarks Nationalbank regarding the relation between monetary policies and the Danish money supply. The publication supports the previously stated mechanic of money creation handled by the private banks as loans creating deposits. Additionally, they argue that the private banks don't have an infinite money press as they can't loan out more than there is demand for, and this demand is argued to ultimately be determined through their monetary policies.

Even though the money supply primarily consist of deposits with the bank, the banks can't create more money than the demand from the households and businesses.[119]

[118] Christiansen et. al. (2017) p.63
[119] Danmarks Nationalbank (September 23. 2014)

"It's monetary policy that determines how much money the private sector demands. That is due to the rate levels that directly affects the costs related to assuming a loan.(...) The national bank have no goals related to the development of the money supply. In Denmark the monetary policy is made in regards to the fixed currency policy towards the euro."[120]

From this it can summarized that in the view of Danmarks Nationalbank it is the private banks of Denmark that is accountable for the majority of the money supply. The amount of money they can supply, is limited by the private demand for money, which in turn is determined by the monetary policy of Danmarks Nationalbank. This monetary policy however, is not concerned with the Danish money supply but rather the DKK fixed currency rate to the euro. For the previous to be true, then it rests on the assumption that the demand for money in Denmark is determined by the monetary policy of Danmarks Nationalbank. Furthermore, the argument seems to suggest that the money supply in Denmark may be in its majority supplied by the private banks in the practical sense but is still determined by Danmarks Nationalbank through their monetary policies. This would entail that Danmarks Nationalbank still holds the regulatory power over how much money is created. This stance could be contested however, by how well their monetary policies reach the market.

5.54 Money Creation and the Work of the Bank

On the basis of the description of money creation, we want to examine what the part of money creation means in the relation to the work of the bank. As with the other parts of the bank suggested to make up the work of the modern bank we want to do this by examining the happening of *truth* within the *world* set up by the bank. As previously this will be done by asking questions to the world revealing parts of work that Heil derived from passages where Heidegger spoke of the things that can come to show the *opening of world*. Until now these things that show the opening of the world has been translated to suit the language of modern corporations. However, the question that will be raised in the following

[120] Christiansen et. al. (2017) p. 64

question will stay within the language of Heidegger and require no translation as this is already well within the language of a corporation. The question is derived from the following passage:

By the opening up of a world, all things gain their lingering and hastening, their remoteness and nearness, their scope and limits.[121]

From this passage we found it particularly useful to speak of the scope and limits in the context of the description of money creation and will, therefore, ask the following question:

What are the scope and limits in the bank that creates money?

In the opening of the question, we want to draw on the capital requirement legislation and how it functions as a limit on the money-creating function of the bank on what that means for the bank as a work. The work of the bank seems to be in a position where the role of credit expansion is condoned and expected by society. Danmarks Nationalbank sees the credit expansion provided by the banks as an important function for the economy which serves as a condonement. Danmarks Nationalbank sees this distribution of created money as fit for the work of the bank while noting that how much money will be demanded and hence possible for the private bank to distribute as limited by their monetary policies. So, one of the limits to the creation of money in the work of the private bank is the demand for the creation of this money which Danmarks Nationalbank explains through their monetary policy.

This assumption that the demand for money is determined by monetary policies is, however, one that is interesting to explore in the context of how it limits the world of banks in money creation. In the publication from Danmarks Nationalbank they refer to a model in which the demand for money is a function of the rate on money set through their monetary policies.

[121] Heidegger, M. (1935-1936) p. 170

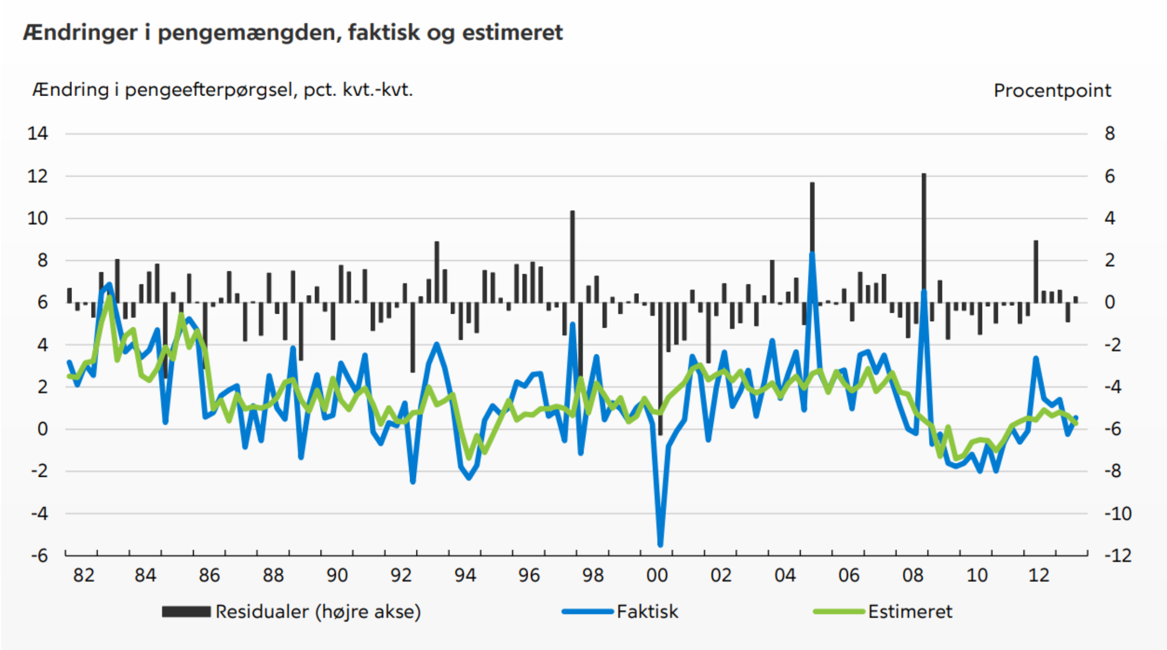

Figure 4: The demand for money. Observed and estimated. From Christiansen et. al. (2017)

The figure is part of the publication and shows the estimated demand for money supplied by their model, compared to the actual demand for money through loans in the given period. The graph shows that there is behavior unaccounted for by the model, which the publication addresses, as they don't expect the model to be a perfect account of reality. These behaviors that are unaccounted for, however, does serve as an opportunity to bring the assumptions of money demand being dictated by monetary policies into question.

A recent example that challenges the assumption from Danmarks Nationalbank, which is also an issue we have drawn attention to in previous sections, is the negative rate environment the banks are operating in and more importantly how they respond to it. The fact that negative rates on private deposit accounts are a surprising thing is perhaps in itself the surprising thing. With the rates set by Danmarks Nationalbank having been negative since 2012, the private banks can be said to have shielded their customers from this effect by having 0% rate deposit accounts but then securing profit from their operations increasingly through fees instead. There is a case to be made on whether banks obstruct this kind of demand influence by not letting the negative rates reach their customers. How this obstruction actually affects the demand for money is would entail a larger investigation. Largely, the work of the bank that creates money can be said to be limited by monetary policies to a certain extent but are able with an innovative business model to bypass the way in which they are limited.

What further opens up about the world of the bank is the corporate nature of the bank. The private bank is a for-profit company that will seek out innovative activities for the sake of generating income and not necessarily for the sake of generating an outcome. Only recently have the negative rates been incorporated as part of the agenda of the modern bank whereas until now the loss in income has been found in other fee-generating activities.

Another major role and increasingly so, in the limit of money creation in the work of the bank is the capital requirements set by the Danish FSA. These requirements are made on the basis of a minimum requirement set through EU legislation which is based on recommendations from the Basel acts. The current capital requirements are based on Basel III while Basel IV is set to start implementation by January 1st 2021.[122] These acts are interesting when looking at what is true within the world of banks as these arguably carry a heavy influence on this.

Examining a happening of truth within the world of Banks, it can be said that a corporate bank can be argued to only be interested in the type of assets that will generate them the highest prospected profit. Firstly, stating that their activities are centred around that which gathers highest possible profit is true related to the world of the modern bank, and secondly, how they arrive at the highest possible prospect of a profit. Capital requirements and by extension the Basel acts, heavily influence how the banks arrive at this highest prospected profit, which makes the capital requirements both an important factor for the scope and limits in money creation for the banks. It does not change the truth within the world that they are seeking to create the highest prospected profit, but rather how this prospect is created.

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[122] EY (December 2017)

Contained in the Basel 3 act and in turn the way capital requirements are assessed towards the individual Danish banks are the previously introduced risk weighted assets that value certain assets over others in how much capital they require the bank to hold. For a profit-maximizing entity, this means how the truth of the world arrives at the highest prospected profit is tailored towards this legislation. Assets that have a low-risk assessment which includes real estate lowers the capital requirements for the banks. If said assets are profitable for the bank this alters the world of banks to possibly gravitate more so towards these assets as it gives them more capacity in their operation hence the lowering of capital requirements. In this way, the Basel acts are a big reference to the limit in the bank's money-creating activities while being a moderator of scope. In this instance, the way the Basel act influence the scope is by weighing certain assets in a way that would make them desirable for the bank.

Scope is an interesting concept in the work of the bank as it could arguably be reduced to, within their banking activities, that which carries with it the largest prospected profit. To speak in a meaningful way about the scope in the world of banks, their banking activities need to be added to the fact that they are creating the highest possible value for their shareholders. How else if not through their banking activities, are they to create value for their shareholders. There is *something* that is the *scope* of the modern Danish bank. This question of what is the scope and further, what is at work in the work of the modern Danish bank is one we will further develop in the remainder of the project.

6.0 What is at Work in the Work of the Bank?

In the following section we will structure a way of discussing the 5 parts we investigated as being that which makes up the work of the modern Danish bank. In the previous sections we have viewed the 5 parts in the light of their functions as being an essential part of the *work* of the bank. As an extension of familiarizing us with the work of the bank, we now want to ask what the work of the bank puts into work. We will do so with a dive into a more normative territory in our reading of Heidegger and how that relates to the world of the Bank as we have described it.

The previous section ended with the question of the scope of the bank which ultimately arrived at the question - what is the main activity of the bank? In Heideggerian terms this question could be rephrased as - what is at work in the work of the bank? Across the five main parts of the bank they are all activities revolving around putting money into work. In order to take a normative approach to the world of the bank we want to discuss how the work of the modern bank put money into work. As the past sections have shown the work of the modern bank, have within each part of it's functions had both public controversies and been challenged on their core functionality. When a bank misbehaves in the view of the public it does not necessarily do so regarding legislation, but rather a misbehaving in what we expect a bank to be in society and perhaps in regard to how money is put into work. Heidegger saw hermeneutic phenomenology as an inquiry into how the phenomenon appears to the observer becoming as much a study of the observer as the phenomenon.[123] In relation to the bank, the previous sections are not an inquiry in to the essential *parts* of what makes up the bank, but more what we as observers expect the essential *parts* of the bank to be. When a public controversy arises, it is arguably then when a discrepancy between the acting of the bank and the expectations of the acting of the bank occurs. It is these discrepancies from the past sections we

[123] Laverty, S. M. (2003)

wish to examine through Heideggerian concepts that carries a more normative charge namely *zuhanden* and *vorhanden*.

With money being what the work of the bank puts into work, we want to ask how money as an entity can be put into work in different ways. In order to do so we will draw on the distinction between the occurrence of a *vorhanden* and *zuhanden* relation to the entity of money as experienced by *Dasein*, and how that may relate to how money is put into work.

An example of how a *vorhanden* and *zuhanden* relation to the entity of money differs can be found in the example made earlier of the great consolidation of banks and sparekasser happening from the 1970's and up to today where the world of banks changed from having many local banks and sparekasser to a few larger and more centralized banks through a big merging process. In this process many branches were closed perhaps partly due to the scale of the banks and partly due to the increasingly digital path of banks. With this brief piece of banking history, a *vorhanden* and *zuhanden* distinction in relation to money and how it is put into work can be exemplified. If we imagine the person in the position of granting business loans in the larger more centralized bank. For the sake of the example, this person has little further knowledge of the possible loan taker apart from how the loan has been prospected. The decision of whether the loan as granted or not will most likely happen according to a technical analysis of the numbers in the prospect of the loan and the business. In a large bank providing capital across a large scope of business activities and geographically unbounded it seem necessary to have a *vorhanden* relation to the loan and by extension how money is put into work. *Vorhanden* in this situation would cover a more standardized tool for decision-making i.e. number based technical analysis concerned with the prospects of the profitability of the loan for the bank.

If we imagine the bank that is closer in proximity to their customers, it is easier to imagine other questions arising in terms of loan prospects. Questions such as: What could the loan accomplish for the local community? Would it develop jobs in the community? Do I know the loan taker to be an honorable member of the community? All these questions are related to a *zuhanden* relation to money and how they are being put into work. This *zuhanden* relation to the situation experienced by the *Dasein* in this local bank is easier to imagine as the customers are in a supposed community relation with the bank and are therefore a part of their concern. In the *zuhanden* relation to money being put into work a concern exist about what the money actualizes into alongside or perhaps even independently from the relation concerned with the profitability of a prospect.

The imagined situation where the loan giver only can relate to how the money is put into work in terms of the prospected profit is in Heideggerian terms close to the *ge-stell (framework)* in its purest form. Every aspect of how money as an entity is actualized into *being* is every possible outcome of *being* put into a form that is made possible to be related to in terms of its value within the *ge-stell*. That is the *vorhanden* relation to money being put into work in its final form. The value of it being put into work is related to in relation to the value of the prospect of the loan.

In the following section we will discuss the activities of the work of the bank in the terms of how they put money into work. This will place a normative emphasis on the world of the bank and how it as a work relates to money and the way it is put into work. This is to further the exploration of how the banks act within their world and how they are expected to act from a societal view.

6.1 Payment Solutions

In this chapter, we will be discussing our analysis, using the insight gained during the study to go deep into the practice of payment solutions. We will be investigating whether mobile banking has brought money closer to the user. Is money more easily put “into work” by the fact that we have our entire bank account in our pockets at all times? Put into Heideggerian terms, we are going to investigate if money has become more *zuhanden* for the customer because of the ease of putting your funds into use. Alternatively, has technological progress made money even more *vorhanden* in the sense that money completely without physical representation?

From our analysis, we know that mobile banking has gained incredible traction amongst the Danish population, with almost 200 million transactions in 2018 and of the 180 million transactions between individuals in 2016, 74% of these were conducted using mobile banking. We learned that the Visa/Dankort has plenty of momentum with 1,2 billion transactions conducted in 2016 alone. We also covered that the Visa/Dankort has a tiny amount of friction when payment is to be undertaken but is completely unusable when you need to transfer money to friends on the fly.

From this, we argue that the Visa/Dankort is sustaining its role as the preferred tool for paying in stores or webshops. But with 74% of P2P-payments done by mobile banking, we argue that mobile banking has enabled the user to manipulate their money in a new way. With mobile banking, P2P-payments have become as friction-less as that of the debit card. With mobile banking, you can send the exact amount immediately with little friction. This has brought our credit money, our bank account, even more, *zuhanden* as our ability to use our money has not only been enhanced, but that payment has gained a whole new avenue of being conducted. The proof is almost etymological; the phrase of “I’ll just bring back the goods from the store, then you can mobile pay me when I get home”, or variations thereof, has become very common. This is regardless if people use MobilePay the app or not, it has just become a synonym for transferring money via smartphone. The use of mobile banking has become that of the usage of the hammer in Heidegger's example. Mobile banking is used as the means to get our payments done without ever being something that presents itself as *vorhanden*. The only reason there is to ever really stop and think about its usage is when something breaks, gets hacked, or when the transaction fails because of the lack of funds. The last example is especially interesting, because the app, MobilePay specifically, has no visible representation of the money left on your account. It has put money into work in a new way, but it hasn't made managing your economy any easier. MobilePay has no representation of your remaining funds, nor does it warn you of any unsustainable spending habits. From this perspective, MobilePay could be argued to have made money even more *vorhanden* in the sense that the "treasure chest" from which your money is drawn, "disappears". Having cash in hand, however cumbersome it may be, you know exactly how much is left and what it is being spent on. MobilePay is the direct opposite of this, it is incredibly convenient, but does not attempt at making money anything but a number retrieved from an indefinite deposit.

It isn't an inherent thing that mobile banking is making it hard to manage your money though. There are apps that have that very aim and we see the trend going strong in the US. They are called *personal finance management* tools, or PFM for short. PFM aren't a new thing, one example would be Microsoft Money that launched back in 1991 but was shut down again in 2009, seemingly never getting the traction needed to make it a relevant player in the field. PFMs are becoming relevant in a new way however, with mobile banking being a reality, you can easily get an oversight of multiple accounts, spending habits and much more. Brett King writes in his book Breaking Banks, a list[124] of what PFM tools should be capable of in the near future, giving you notifications for things such as:

1. You just got paid your salary
2. Your mortgage account doesn't have enough money in it for the next payment.

[124] King, B. (2014), p. 139

3. Your phone bill is due tomorrow, but you haven't set up a payment.
4. The $25,000 you have deposited in a savings account should be deployed in a CD or other instrument to be getting interest.
5. Your wife just maxed out her credit card. (It's okay; I'm told that she's allowed to do that)
6. A retailer you visited three times in past three weeks will give you a 15 percent discount if you use your bank Visa card this month.
7. Houses in your neighbourhood have just been revalued upwards.
8. Your anniversary is a week away, and there is a special offer for a romantic night away.

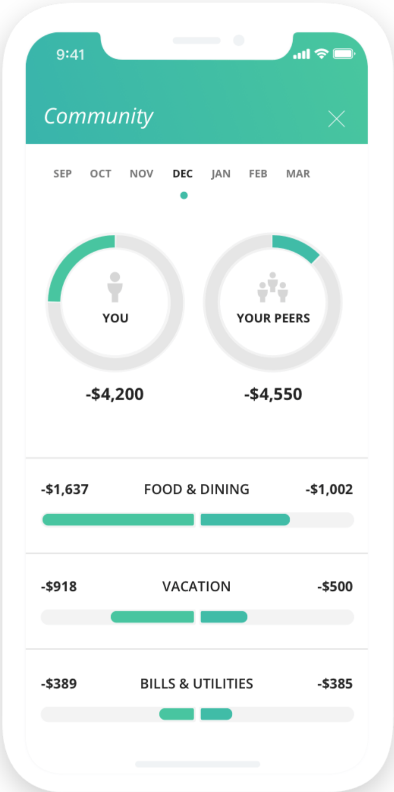
There's also statistical information that could prove an incredibly powerful tool for people that aren't used to study their financial performance. King lists them as such[125]:

1. Spending habits that are good/bad
2. Progress toward a goal
3. More efficient use of your money
4. Spending mix
5. Portfolio rebalancing based on risk profile
6. Available balance on your credit card
7. Loan-refinancing options

To us, these capacities represent an incredible enhancement of the power that the average user would gain over their finances. Giving mobile banking apps these capacities would represent not just a new avenue of spending your money, but actually a new way of handling and perceiving your money. Money is fundamentally wielded in a different way. The crucial question of remains, however, if access to all this data represents money that has become more *zuhanden?* There's definitely a case to made by all the 'angles' that you now have to access information about your spending habits and getting notifications about imminent changes to your financial standing. This is wielding money in a more

[125] King, B. (2014), p. 139

practical way, the use and *control* of money have the potential to become something completely new in our dwelling with mobile banking that also incorporates PFM-tools. There's however also the perspective that all these statistical data has made money even more *vorhanden*. We're theorizing on the use of money to the extent that the use of money becomes something that is part of a financial goal for yourself. It is important to cultivate healthy spending habits, but everything good harbours its own extreme. In this case, the drastically enhanced capability to gather every available information about your financial situation also mandates that you *do* look at your financial situation, that your use of money becomes something of a larger strategy. We argue that there's a distinctive difference in what Brett King asks for in his lists of features for mobile banking apps. Supplying customers with statistical data is one thing, it provides clarity to the user about what kind of financial signature that they're making. The other features are more of a guiding nature, like the ones that remind you of your upcoming anniversary or that of your house that has gone upwards in value. At this point, we're in the territory of predictions, but it wouldn't be a stretch to imagine that making these very sophisticated PFM-tools part of the common mobile banking-package, the role of money in our dwelling is poised to change. How does it affect people knowing that their houses in the neighbourhood have gone down in value? Even if people weren't seeking to sell their house in the predictable future, it still bound to stir up uncertainty that you wake up to the notification of you're living in a neighbourhood that has become less attractive. When you've already taken out a mortgage or isn't looking for selling your house, but its value is still communicated to from your mobile banking app, it becomes the broken hammer that is never repaired and thus remains the object of theoretical understanding. The enhanced guidance provided by PFM-tools has, in this case, led to money becoming even more *vorhanden* as it has made you theorize on the use money without having any reason for action, there is no hammering to be done, but money has still made itself firmly present in the dwelling of *Dasein*. There are definitely also ethical perspectives with regards to the examples of notifications given to us by Brett King. The store that gives you 15% discount if you use a Visa card this month, could store that the alcoholic frequents in order to get his beverage, it could be a place the gambler is buying his coupons, even though his economy can sustain the loss of gambling. It could also be the reminder to the couple that has little air in the economy that their anniversary is coming up, and that it is expected to associate with spending money on various gifts, in this case, a romantic getaway. Even if it's helpful advice, like: "you've bought three beers tonight, if you stop now you'll have 150DKK more for bus fares next month", there's something uncanny about the way that money is perceived as having a 'better' use. "The best is the enemy of the good" as Voltaire credited to have said, and there's a risk that PFM-tools paves the way of a behaviour that is more financial sound, but at the cost of lifestyle that is less about what you wish your money would do for you, but what your 'money' would wish that you would do.



5 The graphical user interface of Strands PFM

With this kind of financial management and to an extent, financial supervisory, provided by mobile banking, the role money becomes far more prominent in our daily doings, giving not the 'action' of money, but the existence of money VIP-seating in our dwelling. In the picture below is a snapshot[126] of the interface in the American PFM-tool made by Strands Finance, simply called Strands PFM. One of its current features is that compares your financial situation to your peers. We're not sure who peers, in this case, is, it could be based on a "friends" feature, geographical peers or people that share similar income. In any case, your financial performance is compared to these peers, and you see how you rank in against them on various factors. Again, in this case, you might be perfectly fine with how your finances are performing, but when it

[126] Strands. (Accessed: 2019, November, 15). Personal Financial Management

compared to your peers, you might realize that your rent is higher, or that you don’t have as much money to spend on vacations as your peers. It does give a superior overview of your financial situation, but at the cost of making money even more *vorhanden,* and giving *Dasein* a sort of an umbilical cord with its finances.

Returning from the realm of American-made PFM-tools, we are going to finish off with a detail that relates to Danish mobile banking. It’s the fact that that MobilePay doesn’t make any money. It actually *costs* money for Danske Bank, resulting in a loss of 113 million DDK from 2017 to 2018.[127] It has become a striking success, bringing easy mobile payment solutions to Denmark and its name has become the synonym of paying with your phone but is still not profitable. This could, of course, be because of poor capitalization, but it is far more likely that making immediate monetary gains isn’t the goal in its current phase but rather making MobilePay a stable part of our 'dwelling'. Establishing the app, as *the* way of transferring money between individuals is something that the bank has worked very hard towards. In this sense, the primary objective of Danske Bank has been to make MobilePay something that is *zuhande,* that which is stable in our dwelling. As with new technology in finance, it can both bring you closer to the use of your money, or it can lead to an increased distance between the bank and the customer. With mobile banking, the ability makes people immediately send money to each other might also impact the way that individuals manage loans amongst friends. With MonbilePay, there's no reason just to arrange that you pay for the next pizza if your friend bought the first. You can clear the debt immediately and is probably expected to do so. There is the possibility that *ge-stell* find new avenues of making itself relevant in ways we haven't know from older forms of payment. It is only when new features and fees are added or removed in time that the truths of mobile banking will show themselves.

[127] Zigler, T. (2019, July, 8)

6.2 Wealth management

In the part of the analysis where we examined the function of wealth management within the world of the modern bank, we compared it to what we called the *primal bank*. To highlight how the business of banks is often viewed today and furthermore, where it is going in this negative rate environment. For the *primal bank* is a bank which business model is based on gathering a profit on the marginal rates of deposits and loans. As we demonstrated in the previous section on wealth management for the modern bank, the bank is often understood as having the business model of the *primal bank*. It is, however, altering this business model partly due to the negative rates set by Danmarks Nationalbank. This shift in the interest rate environment largely affected the options for wealth management provided by the banks. Across the industry, the banks have struggled to adapt to this environment in their income on rates but have instead successfully implemented fees from various transactional services that make up for the loss of rate income. It is this difference in income gathered from rates versus fees that will be examined in the following section specifically in terms of how what it means to the relating to money and how it is put into work.

On average the banking sector in Denmark has an equal amount of their income stream spread between rates and fees with fees being an increasingly growing source of income for the banks and the rates are on a decline. As many of these activities carry some interconnectedness it will be difficult on an empirical level to determine a clear *vorhanden* or *zuhanden* relating to the way in which money is being put into work. For this reason, the relation will be discussed partly in relation to the empirical examples and partly as contained imagined instances in an attempt at a more isolated understanding of the crossing between rates and fees and their relation to how money is put into work.

Starting with an empirical example from Merkurs Andelskasse who recently introduced negative rates on deposits starting at 250.000 DKK. The negative rates are a response to the continuous negative rate set by ECB and in turn also

Danmarks Nationalbank. Regarding the issue Lars Pehrson general manager at Merkur Sparekasse has stated the following:

> *If our reality is that the national bank and ECB states that the risk-free rent should be negative, then we can't as a single money institution fight that. We have to adjust to that. I regret we didn't do that multiple years ago. But we are slowly realizing that negative rates aren't going away. It's a fairer transparent structure instead of arbitrarily spread fees.*[128]

Within the quote lies an acknowledgement in the fact that if negative rates are not present in deposit accounts in modern-day banking then this loss may be absorbed in the department of deposits but need to be made up for elsewhere within the bank's activities, typically through what he describes as an *arbitrary spread of fees*. He refers to the negative rate set by ECB which can be considered the risk-free rate of -0,75% that would imply that a deposit account with 0% could be an investment above the risk-free rate implying that the assumption of risk would be needed to achieve a prospect of a 0% return. When banks then offer a deposit account of 0% it is arguably creating an artificially lucrative object of investment surpassing the risk-free rate. In the relating to money being put into work under normal positive rate situations having an investment option with little to no risk associated with it with an expected return above that of the risk-free rate would seem to be an automatic inclusion in every portfolio. In this case, where we are operating within a negative rate environment, it is less obvious what that means for the assumptions within the classic economy.

One thing 0% rate deposit accounts can be argued to lead towards, in regard to putting money into work, is passivity. In the *zuhanden* relation to money and how it is put into work it is less obvious if that is true but taking the *vorhanden* approach to one's wealth management, with the risk-free rate being below the rate achieved at lying dormant in an account it would follow that risk would have to be assumed to even achieve the prospected return of 0% achieved in the passive state in the account. The risk assumed is then disproportional to the

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[128] Jensen, F. (2019)

potentially gained profits in committing the wealth toward an investment creating a possible inclination towards passive behavior. All this is of course within the *vorhanden* relation to money being put into work.

If we then imagine a negative rate situation for deposit accounts. In the case of Merkur Andelskasse that impose negative rates on accounts that surpass 250.000 DKK they themselves say it is to have their customers considering investment opportunities. In the *vorhanden* relation to money thinking of the money in terms of the value they provide, it would make sense then beyond the 250.000 DKK when moving into the negative rate territory, then incentive towards either investing or spending the money has been formed. In some ways, it can be argued that negative rates can act as an incentive at least to put money into work. The way in which it relates to the acting as an incentive to put money into work is not given to be an either *zuhanden* or *vorhanden* relating. Pushing money to move from bank accounts into investment does not in itself either mean an activation of the money or a relating toward the money in terms of what it actualizes. As we have pointed out previously, real estate has often become profitable investment objects in times of uncertainty often merely resulting in an inflation of the housing market, which we are seeing clear signs of today, which does not necessitate an activation of the money.

The alternative to negative rates on deposit accounts in dealing with the negative rate environment, according to Lars Pehrson is *arbitrarily placed fees.* The distinction is theoretically useful while the empirical actuality seems closer to a business model of banks that absorb the expenses both through fees and rates. In terms of putting money into work, the fees would typically be placed with transactional actions taking a fee cut from actions performed by the customers in order to maintain an artificially high rate for deposit accounts. As an extension for what was mentioned above about incentivizing passivity, the fee structure seems to support this incentive as not only be the reason for the upholding of 0% rate deposit accounts but also to tax activity although in an often non-transparent and arbitrary way according to Lars Pehrson from Merkur Andelskasse.

In the negative rate environment, the banks find themselves in today, it would seem the course set by Merkur Andelskasse to pass the negative rates by ECB on to their own accounts may carry with it a higher possibility of putting money into work. However, negative rates do not contain a normative relating to the way in which the money is put into work but may carry the incentive for activity.

6.3 Capital provision

In the *part* of capital provision, we gave an example at the beginning of this chapter which exemplified the use of the distinction between *vorhanden* and *zuhanden* in the relation to money and how it is being put into work. We will use this example as a further exploration into capital provision and its role for the work of the bank.

Previously we used the example of the *local bank* which carries many of the same characteristics as the entity of sparekassen as we have described it in the past section regarding capital provision. This entity was described as in a closer relation to the local community in which it operated. This relation of proximity is also what we have related to the likeliness of a *zuhanden* relation to putting money into work. At least in so far as it is concerned with how money is being actualized, which a relation of proximity does not guarantee but arguably make more likely.

Last time we brought up sparekassen as an entity we presented the institutional evolution sparekassen has been through from the 1970's up until today. Furthermore, we specified the entity as the type of Sparekasse that pre-dates the law that would make banks and sparekasser equal. Part of the history of this entity is also in that it was not able to sustain the evolution of the local industry. They were unable to provide the capital needed for their local growing businesses. The curiosity towards an institution such as sparekassen despite its issues in providing capital serves as a point in the expectations of how a bank should work which goes beyond whether it was a functioning institution or not. The characteristics of sparekassen that are brought forward, however, is those that stand in opposition to the modern bank, namely a locally engaged entity.

The group 1 size banks that are categorized by as of 2019 to have a working capital beyond 75 billion DKK[129]. Characteristic to these banks are not only their size which we have stated carries with it a natural inclination of assuming a

[129] Finanstilsynet (November 15. 2019)

vorhanden relation to money and how it is put into work. It is also characteristically a publicly-traded company with the commitment to create the highest possible profit for their shareowners. In regards to the size of the banks we argued that the way in which the entity of money is actualized into being for the bank that is in the position of providing capital across a large spectrum of activities, seems more so inclined to have these activities' actualizations translated into something relatable as standardized entities such as numbers of risk, profit etc. In Heideggerian terminology, this is what the *Ge-stell* does. Translate the *concealed* into that which *unconceals* itself in terms of its numeric usability.

The characteristic of being a publicly-traded company arguably adds to this inclination of institutional behavior alongside the size of the bank. It even does so in a more explicit way. By contractually committing yourself as an organization to create the largest return on investment for their shareholders, they at the same time define a hierarchy for which activities are more useful or valuable to the company. This hierarchy not only needs to relate to their organizational activities in terms of their profitability, but they need to place this estimated profitability above all other factors that may exist in decisions regarding capital provision. So, for the bank for which the above is true, it means that this *vorhanden* relation to money makes the actualization of money and for what they are put into work, a side product. This type of bank may "accidentally" put money into work for something that has a noteworthy actualization into being, but it would do so as a subsidiary of its profit bearing capabilities. The work of the modern Danish bank is arguably in a position in which it institutionally is inclined to relate to money superiorly in its probabilities of creating a profit above all else.

In imagining a bank that carries with it a *zuhanden* relation to money in the way it carries out its capital provision activities it requires for this bank to have more involvement in the aspect of money that is related to its actualization. Using the term of going *beyond profits* arguably does not do the issue justice as it is an entirely different relation needed altogether. Going beyond profits still puts profit as a first-order decider in the hierarchy and what the money actually put into work as secondary. The *zuhanden* relation to money seems to require a first and foremost orientation towards the actualizable. This relationship will be further explored in the following section when it is discussed in the context of banks' creation of money.

6.4 Investment advisory

We will now turn our eye on what we learned from investment advisory and try to get deeper into the matter using the same concepts of *zuhanden* and *vorhanden* from the previous section. We will discuss the question of what of money is supposed to 'set into work' and how that relates to the advisory of what to do with your money.

In our analysis of investment advisory, we focused on the issue of trust and asymmetrical amount of information between the bank and the customer. We're now going to investigate how money is handled *zuhanden* or *vorhanden* in the situation of investment and how that affects advisory. The foundational reasoning of traditional investing is that you invest your money in order to grow your fortune by buying and selling assets that have gained value, thus gaining profit from buying lower than selling. The motivation is almost exclusively to get *more* money. The amount of increased wealth is *the* defining factor in deciding whether an investment was worthwhile. If you look at this reason alone, it has the dimension of the ultimate *vorhanden* relationship with money, especially if your money is invested on your behalf by your bank. The goal is to gain more money, to get a larger number associated with the value of the portfolio. From a Heideggerian sense, the investment represents the ultimate *vorhanden*, in the sense that your money is constantly theorized upon, they are constantly evaluated upon and rarely are they put into work in any direct sense. It makes sense to reward investors who put their money on-the-line in when financing endeavours like start-ups, but when money is used to buy and sell whatever is deemed likely to sell at a higher value than when bought, money becomes its own goal. Investment is in this sense the hammer that never touches the nail, it isn't ever wielded. Investment is, however, a way to secure 'more hammers' when you do decide to put them into work, and it is important to note that we're not calling for the stop of investing, but it is important to understand how the existence of money is positioned relates to the *Dasein* when it is relegated to role of self-creation. It is likely that many people will be quite confused if the investment advisor asked: "What do you want your money to do?". "To multiply", seems like the only reasonable answer. Money simply isn't expected to be 'put into work' by the means of investment, and therefore becomes an entity that remains *vorhanden*. Their actualization remains that of multiplicity (hopefully) over the course of time.

In our analysis, we covered the case of Flexinvest Fri and we will not delve deeper into the matter of trust or legality as such. We will instead focus our lens on a different matter in the same case, the outrage that followed the scandal. Truths are often most visible when a crisis erupts, and in this case, we saw that both investors and other investment advisers were furious with Danske Bank about how they had managed peoples investments. Our argument is that there was a clear expectation of how money is supposed to be at work when they are invested, a rule that we were broken by Danske Bank. We see this kind of outrage in other scandals that relate to advisory as well. A prominent case of this was when Jyske Bank and Nordea, at the time Denmark's third and second-largest banks respectively, was caught providing guidance to people that sought to place their money in tax havens. This was all unravelled when 11,5 million documents were leaked from the Panamanian company Mossack Fonseca & Co, where the role of Nordea and Jyske Bank was made public. The scandal was appropriately called "Panama Papers". The outrage was considerable, people even went to call them "financial terrorists"[130], but does tax evasion activate such strong emotions and how is it connected with the case of Flexinvest Fri?

From our perspective, we argue that the outrage is fueled by the understanding of money 'put into work'. In both cases, money *weren't* being put into work, but were instead either placed in mutual funds and then drained via fees as was the case of Flexinvest Fri, or they were send to the far side of the globe in order to safeguard them from being put in to work through the public domain as was the case of Panama Papers. Both cases represent money in an inactive existence, money being relegated to the realm of the *vorhanden* understanding. Money put in place in Panama is not wielded, but more importantly, they are placed there

[130] Pedersen, N. (2016, April, 4)

as not be put into work, anyone. We argue that there is an understanding that money has the potential for ’work’ as when they are set into work when you pay for the construction of a farm, house, industry or even invested in corporate endeavours. The is money that is being wielded for the sake of action, money is the mean that facilitates the action, but what is important is the action. Therefore, when money is relegated to their most passive existence, their most *vorhanden* role, they become the broken hammer that never hammers. It is important to note that we admit it isn’t always straight forward to determine whether money was put into work. Fees could be said to take money out of speculative investments and instead of putting them into work within the bank, alternatively, it could be argued that fees are removing ‘setting into work’ by pulling money out of investments or donations that were meant to facilitate new things. The advantage of using the case of Flexinvest Fri and Panama Papers is that they are clear-cut cases of when the expectations for what money is expected to set into work was left disappointed. In both cases the action of money became money itself, becoming a version of money that itself has come under the spell of *ge-stell*. Money is transformed from the means that resources turned assets are acquired through, to that which is the resource in itself that has to be acquired. The possibility of being anything but its own means *and* end is heavily diminished, not to mention its potential for appearing as a *zuhanden* means of action. It is because of this vast potential that we see them as a significant source of the indignation that follows scandals such as these, money remaining broken hammers.

Another revealing of the world of investment is that of the three truths: risk, expected return and time. The act of evaluating an investment is basically boiled down into these three criteria that determine the value of the given investment opportunity. These criteria make perfect sense in a *vorhanden* way of dealing with money, they are core elements of proven investment strategies. The unconcealment that follows these criteria is that they aren’t fit for the *zuhanden* understanding of money. There’s no asking to the doing of the money, what are do you actually want your money to do while they are not in your possession?

When they 'return' back to your account, what do you want your money to have sat into work in the meantime?

There are trends that point towards a wish for more *zuhanden* dealings with money that are invested. For example, there is a growing demand for mutual funds that don't trade stocks that are related to oil, weapons and technologies of war or represents an industry that is particularly harmful to the environment, like coal, uranium and the like. For us, this represents an increased awareness of what investments are meant to be set into work and how that which is sat into work, affects our dwelling. Investments that are made with regards to the doings of the company are often called ESG-investments, short for Environment, Societal and Governance. It means that the investors' screen companies for criteria within each category. It is epically helpful for providers of mutual funds to help communicate the ambition of the mutual fund towards potential customers, and to set a guiding principle for is current customers. The ability to set something into work by being selective with investments is also embraced by Danske Bank's commercial for their ESG-investments:

It is inside our investment processes where we can make a difference. As investors, we can influence companies to integrate sustainability into their business models, governance and reporting. We can challenge companies on their positions and influence them to address material issues. As investors, we can support companies' development and growth. – Danske Bank.[131]

Let us be clear, it isn't because they are selling their product as more sustainable or invest in companies that set CSR-goals that makes these investments anymore *zuhanden*. That something is *zuhanden* is not a judgement of good or bad intentions or actions, it is a quality of the relating. What is making ESG-investment special is that it asks the question of "what is our money supposed to do". The quote by Danske Bank bears a clear expectation that the money has not only been 'put into work' within a specific arena of companies but that their

131 Danske Bank, Societal Investment. (Accessed: 2019, November, 15). Sustainable Investments

investments influence companies to prioritize goals and values that traditional investment calculations don't bother with. From what we can see, this *zuhanden* aspect of investment advisory, where the money is being wielded in a way to make actions happen, to let money be the means to which production and growth are set into motion, is the ambitious investment strategy. This is because it dares asks more of money than the *vorhanden* approach does. It doesn't make it a better investment strategy in itself, you have no less chance of losing your money trying to actualize new production, but the outcomes have qualitative differences. The question is, if the technology that is high-tech today, might have been it years ago, if the money that was trading weather derivatives, had invested into the research and development instead.

6.5 Money Creation

Money quickly becomes abstract to speak of in the terms of relating *vorhanden* or *zuhanden* to it as there seems to be an inherent instrumental characteristic to the being of money. It does not have a tool-like value to its physical form and even less so now that money mostly has become digitalized. So, relating to it *vorhanden* or *zuhanden* is more so a relation to how it can be put into work. The classical *vorhanden* relating to an entity would be that which is concerned with its properties. In this case, it is arguably the properties of what happens when the money is put into work as in, how is the money that has been put into work performing. A potent phenomenon within this mode of relating to money is that of derivative markets. Markets that in their name disclose that they are products derived form an underlying asset but are in themselves not assets but a financial product. It is the step further from disassociating, what the money put into work actualizes, and a step further in the direction of money in terms of performance.

The *zuhanden* relation to money on the contrary would then be that which is concerned with that which is brought forth by the money. The radical *zuhanden* relation to money would be a nearness of money as an entity that it would become part of the institution in such a way that every numerical property has vanished and only that which can be actualized is at hand. This *zuhanden* relation to money in its radical form is quite foreign in thinking of money and especially in relation to banks. My natural inclination is to think that as something not to be wanted for the banks. We are used to thinking of money in terms of something that is finite and therefore needs to be rationalized. Perhaps even further, money in its inherent numerical form that which forces us to think of other entities in terms of their rationality. This raises the questions of what are the implications for the bank to be in a radical *zuhanden* relation to money and should it even be the role of the bank to have such a relation to money?

While the world of the modern bank is within an environment that requires them to carry with them a *vorhanden* relation to money as capital requirements make a relation to the property aspect of money mandatory. When Danmarks Nationalbank spoke of money creation in private banks they explained money creation in terms of a supply and demand mechanism. This supply and demand related to money being put into work could be seen in a form that would resemble that of the radical *zuhanden* relation to money.

Firstly, speaking of money in terms of supply and demand in this context carries some unclarities that need to be reflected on. As previously established, the bank is able to expand the money supply and thereby creating money, by creating loans that initially turn into deposits. The supply then is created by the institution with no apparent physical limit to it. The supply limit is arguably artificially imposed by the capital requirements put forward by the Danish FSA. These capital requirements actually carry an interest in how the money is put to work as it weighs the assets. The interest, however, is strictly concerned with the risk related to the assets which remain in the domain of the *vorhanden* relation.

Secondly, the demand side is represented by the loan takers. The demand is not a neutral disinterested entity in this case, however, which we otherwise would think in the context of microeconomics. Some demand for money being put into work is better than other demand both due to banks' own risk assessment and the classification of risk related to assets from the capital requirements. For example, real estate is classified as low-risk activities and arguably drive capital disproportionally in this direction.

However, this notion of supply and demand in terms of money if viewed in a free form and less in the context of modern society, comparisons to a *zuhanden* relation to money can be made. Someone has a vision of an actualization of something and if this vision can be made clear and be shared by someone else in society then provision can be supplied. What is at hand is what can be envisioned to be actualized and is something that is wanted in society. This very *being* related mechanism is still somewhere within the modern bank. It is however shrouded behind standardizations of prospects and risk weighing and as with derivatives, feels far detached from the underlying asset.

A recent trend within banks that do not fall within our definition of the bank is to provide loans that relate to the purpose the loans are supplied for. The so-called green loans are loans that carry favorable rates and can be used for certain sustainable ends. For example, the cooperative bank Merkur Andelskasse provides a more favorable loan if you invest in an electric car than one that drives on fossil fuel.[132] This would be a type of loan falling under the category of money creation and is therefore arguably a *zuhanden* relation to the creation of money and how they are put to work. An evaluation has been made on what the loan puts into work, not in terms of risk and profit but rather what it puts into work.

6.6 Should the Bank Relate *Zuhanden* to Money?

Bringing it back to the Heideggerian distinction of relating *vorhanden* and *zuhanden* they in themselves simply describes two different ways to relate to an entity. However, when reading Heidegger, they carry an obvious normative judgement over how one ought to relate if one sought to be a *Dasein* aware of their own openness to being. An aspect of this normativity is naturally than going to carry over in some capacity when applied to the world set up by the work of the modern bank. In the past chapter we have used this normativity to drive the answering of the question, how is the bank expected to behave in accordance with what it puts into work. The importance of this question lies within firstly, answering the question concerning the essence of the modern bank as what it puts into work, for which we answered – money. Secondly, with the aspect of answering the *oughts* and *shoulds* in the behavior of the bank, we sought to examine in which ways the bank put money into work and how the expectations to the behavior of the bank may be related to how money is put into work.

When no crisis related to the world of the bank is declared it is obviously hard to say where the dissatisfaction with the world of the bank may be as there are no vocal accounts of dissatisfaction to investigate. However, when a crisis related to

[132] Merkur Andelskasse (November 15. 2019)

how the bank functions and an unconcealing of the world set up by the work of the bank happens, what comes out as the elements of frustration is related to what the bank puts into work. The work of the bank may have been doing so over an extended time but not until the articulation of frustration does the way it puts into work come under question. We would argue that many of the banks' crisis of function in a societal context is precisely related to the way in which it puts money into work. If we take the financial crisis of '07-'08 as an example, as long as the relation between bank and economy was seen as functioning, the way in which banks put money into work was not under questioning. But as soon as the bank is declared momentarily non-functional the activities that are strictly in the realm of finance and related to money being put into work in the way where it had no actualization. The grand old commercial and industry-oriented Deutsche Bank had been growing their investment banking department in large scale transforming them into one of the largest banks in the world.[133] Prior to the crisis, this was impressive. The post-crisis view of Deutsche Bank is rather that of an institution that got involved in amoral financial speculation. Furthermore, Deutsche Bank has yet to this day to find their so-called "bottom" on the stock market, while still struggling to figure out their role as a bank, recently declaring a major scale-down of their investment banking activities.[134]

In this exact breaking down of the functioning of the bank institution an unconcealment occurs and the work of the bank is discussed. Admittedly a call for the radical *zuhanden* relation to money for the work of the bank was not called upon. However, a large dissatisfaction for what is on the other end of the spectrum, the radical *vorhanden* relation to money being put into work which leads to the financial application only concerned with how to game the numbers. A major example being the elaborate derivative market within housing loans especially in the US that rapidly inflated the housing market and has been credited for being a major reason for the financial crisis '07-'08. What can be read out of this is at least a work of a bank that puts money into work in a way that

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[133] Nelsen et. al. (2017)
[134] Detrixhe et. al. (2019)

serves an economy of money being actualized, and not gamed through financial innovation.

We have previously described the situation in which the banks needed to undergo a structural change in order to meet the capital demand from their business customers. We furthermore described how this structural change lead to a change in how the work of the bank is inclined to relate to money and how it is put into work. The work of the bank is arguably under a similar pressure to undergo institutional changes to meet the requirements of society. As of the time of writing they are configuring their business model to adapt to the negative rate environment of banking, while simultaneous relating and responding to new emerging ways of handling activities that are otherwise core to the essence of the bank as we know it. With these institutional responses and changes will inevitably follow a change in inclination to how to relate to the way money is put into work. In these coming changes, we argue for the importance of considering the way in which the relation to money being put into work as a response to future challenges.

7.0 Conclusion

In this section, we will be concluding our study, looking at what we've learned during our previous chapters. Our objective for this thesis was to study the foundational nature of banking in Denmark. We chose to focus our investigation on the four praxis of modern banking, as well as its role in the creation of money. We first investigated them through an analytic angle, laying the technical foundation for understanding how each praxis performed in a practical sense, and then, gaining further understanding using Heideggerian concepts. Each of these chapters helped us understand the entity of the bank in its actual doings, which provided us with the necessary foundation for the rest of our thesis. Each of these areas is highly technical, and we could easily have written an entire dissertation on the creation of money and its implications alone.

Our reason for seeking to understand the entity of the bank is to bring forward nuances that might otherwise be overlooked in traditional literature. Heil's ambition was to clarify the nature of the corporation to open up for the development of appropriate approaches for handling the challenges of corporate management. Our goal for his method was to enable the development of methods for meeting some of the problems that face Group One banks today. With a sector that is changing so rapidly and dramatically during the conduction of our study, it made the most sense to focus on the broad movements of the industry, as any specialized in-depth investigation would have provided a very specific insight into a problem that might have changed its nature by the time the thesis was about to finish. We wanted to develop an ontological inquiry that would help establish ways of conducting banking that might also help banks face challenges that arise when the current problems have been resolved.

Our research question went: *What is at work in the work of the bank?*

Our first movement towards answering this question was to look at what constituted the entity of the bank. Here, we took what the book Dansk Bankvæsen stated was the kind of services 'the bank' performs; Payment solutions, investment advisory, wealth management and capital provision. It does mean that we were convinced that these were the only services or actions that constituted the modern bank in its entirety, but we decided that we would take it as a guiding principle and served to confine our study to these areas of banking. If we assume the statement of the book to be accurate, that these services are what banking is, then what kind of entity is the work of the bank in Denmark? During the analysis of each of these services, we learned a great deal about how each of them operated and how each of these services represented a different way of unconcealing money. An unconcealing that has changed through time thanks to implantation of new technologies and through changes in how banks operate on a more societal level. The common factor through these services was the handling of money in different arenas, which led to different ways of unconcealing the entity of which is money. This led us our answer for our overall research question, that what is at work in the work of the bank, *is* money.

This might seem logical, as banking is almost synonym for 'working with money', but our understanding of money was brought to a more primordial level thanks to the concepts of Heidegger and method of Heil. Both in terms of how it manifested itself in the different services, but also the bank's relation to money has changed throughout time. That one of the challenges that face the bank of today is not only digitalization and regulative restraints but also challenged by expectations of their *use* of money. In broad terms, what we discovered was that money has the potential of either being actualized when it is put 'into work' or it can remain an object of theorization, as when it is used for abstract speculation. We explored this in chapter five, where we studied the same five areas of banking that we studied in chapter four, but this time we used the concepts of *zuhanden* and *vorhanden*. Using these concepts gave us a new understanding of how money has the potential to be 'wielded' in different ways, in different situations. This chapter also highlights how hard it is to determine whether actions of the bank have brought money into actualization or detached it from its possibilities. As was the case of MobilePay for example, technology has the potential of both bringing money closer to the user, but also to distance them further from the entity of money.

There's not always an obvious pinpoint which way money is being used and sometimes it's more about degrees of actualization, rather than absolutes. Through the work of the bank, money was unconcealed as something not often thought about in traditional literature, as a malleable entity, that is unconcealed in different ways.

8.0 Reflections

To broaden out the scope of our finding to the larger context that is banks role within our society, we have argued that banks are in a transitional phase as a contemporary institution. Their business model of marginal rates has forced a shift in their approach to their sources of income while new technology challenges their already established banking activities. We've previously seen multiple large shifts in banking that were either driven by financial or technological innovation or an exterior economic need. An example could be that of the great consolidation of banks through the 1970s and onwards to meet capital demand from a growing economy. In this instance, the development of the industry and economy demanded of the banks to transform to meet their needs. During the transformation not only was the industry changed but arguably the way in which the work of the bank related to money and how it was put into work was transformed with it.

We are arguably finding ourselves in one of these transitional phases where it is required of the bank to adapt to its surroundings and we are seeing mixed indications of how to approach this. One thing that can be read though, is that customers have in large numbers left the more scandal-ridden group 1 banks such as Danske Bank for smaller banks lower in the size group system such as Arbejdernes Landsbank. It is not exactly a shift to the era of the local banks prior to the great consolidation but at least an expression of dissatisfaction with the largest of banks. We previously argued that the locally committed bank as an institution was unable to survive the development of the large corporations, which leads us to ask the speculative question - what type of economy would facilitate the work of the bank that has a *zuhanden* relation to the way in which money is put into work?

This would be an economy in which the choosing mechanism for the successful bank would prioritize the way it brought about an actualization of money over profit. It would be valued on the basis of activities that are indescribable in the context of annual reports as these are inherently in the discipline of translating activity into properties that are easy to relate to in the *vorhanden* relation to the thing. We are clearly not operating in an economic environment which has this choosing mechanism but is however seeing examples of banks using a *zuhanden* approach to money being put into work which could give an indication of how that may relate to the economy.

Firstly, we've seen the so-called green loans that give favorable loans towards activities that are deemed helpful for environmental sustainability. More broadly this could be viewed as discounted capital when it is supplied towards useful societal actions. This sort of approach carries great potential towards a *zuhanden* putting money into work as it clearly has an opinion towards what the money should do. On the other hand, it places great responsibility in the place where the decisions are made of what type of capital is discounted.

Secondly, we are seeing interesting changes in the relation to money and value over time. The idea that money today is worth less tomorrow is in no way a new idea. Inflation is a stable within economic textbooks. However, the concept of inflation and devaluation of money over time we would argue is not something that is immediately clear from the concept of money and is rather something need to be taught through concepts like inflation. The ECB has had negative rates for a while, but the concept is just now starting to manifest for the Danish private users of banks. The actual numeric value of money has now been institutionally set to decrease over time for private customers in various Danish banks across the sector. Starting to relate to money as something that expires may bring with it a new relating to money as a concept altogether. It may carry with it the understanding of money as something to be put into work rather than something to be stockpiled.

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