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Article

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Language as an Institution: A Note on the Use of the Terms Finance and Economics in the Greek Language and its Consequences for the Greek Society and Economy

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Abstract

Language as a formal and informal institution can be a useful tool of the society for effective communication in order to adopt the right policies for economic development, etc. And yet Greece is probably the only country in the world which does not differentiate Finance from Economics, e.g. people say “my oikonomika” (economics) in order to mean “my finance”; or the accountant calls himself economist (oikonomologos); or the Minister of Economic(s) should be called the Minister of Money, etc. Thus, almost everybody in Greece talks about money but almost nobody talks about the economy. And yet the economy which is primarily growth in effective and efficient production should be our primary concern, and not money, unless it is used for investment. The present confusion of finance and economics words and concepts in Greece is shown in this paper; also, its negative consequences; its relations with prominent economic models; and suggestions for removing this institutional backwardness in Greece.

JEL Classification: B52, B10, B20

Keywords: institutions, language, finance, money, economics, Greece

1. Introduction

Greece has been experiencing long periods of financial and economic downturns during its modern history since the 1820s, although its economy had its bright moments at times in parallel with its societal evolution. A crucial element in all this has been the use of language. In particular most of scientific terms have been translated from foreign languages and especially English; this applies to Economics as well. Language is a crucial element in creating a national consensus as to what is needed for effective policies in economic development. Unfortunately, in Greece the use of the terms Finance and Economics has been erroneous and with negative consequences. It is the aim of this paper to show the use of these two terms and why it has been erroneous and problematic.

First, several examples of the use of Finance and Economics will be brought forward in this article for discussion. The starting point of this discussion is that Finance and Economics are not the same and hence these terms should be used carefully and in different circumstances

from each other. Some reasons as to why these two terms have been used in Greece in a confusing way will also be provided. All this will be the object of the first section. Then, some arguments will be presented which will bring evidence to the wrong use of these two words in Greece to the extent that the Greek society and economy are affected.

Thus, in a third section, language in general will be briefly analyzed in the light of institutions which are formal and informal rules that exist in any society. Examples of formal rules are the constitution of the country and its laws, whereas informal rules may be related to culture and etiquette. There is an institution which is unique and has several of its own characteristics: language. It is a formal institution when in written form and informal when it is just verbal in everyday use. Language is a set of words which convey ideas, concepts, etc. In addition, each national language has its own way to express words and sentences and thus conveys messages and makes communication effective and efficient.

In a fourth section, the use of Finance and Economics will be examined in the light of modern economic thought. Thus, for example, mercantilism and the quantity theory of money will be briefly analyzed. It will be seen how Finance and money have been the object of separate theories and practice in the last three to four centuries. However, note that the purpose of this paper is not an exhaustive account of related concepts, issues and theories, but only some brief arguments which support the differentiation between Finance and Economics.

The final section will conclude some of the main points.

2. Non-Differentiation between Economics and Finance in Greece

In this paper we cannot examine the whole range of economic terms used by the Greek language in both academic and everyday life circles as it this is out of scope. As originally many modern models of economic analysis were explained and written in English, the translation in Greek has often been unfortunate or wrong. For example, the concept of “opportunity cost” is central in economic analysis; its translation is given by the word “occasional” cost (in Greek “ευκαιριακο κοστος”). However this term in Greek does not convey the proper meaning in Economics as the concept of “opportunity cost” is related to alternative costs. Thus, if we say the opportunity cost of doing x is z, we mean that both x and z are alternative costs. Hence in Greek, we lose this comparison of alternative costs by using the expression of “occasional cost” (“ευκαιριακο κοστος”), since in Greek (a living language)¹ this expression does not have the meaning of “alternative” costs. Consequently, it would be much better to translate “opportunity cost” as “alternative cost” (“εναλλακτικο κοστος» in Greek).

So now let us concentrate on the terms of “finance” and “economics”. In English we have the following definitions. First for “finance”; according to Cambridge Dictionary, “finance” is the management of a supply of money; examples: “corporate/personal/public finance; the minister of finance/the finance minister; you need to speak to someone in the finance department; the finance committee controls the school's budget.”

Also, Finance is the money that a person or company has, hence the expressions: “we keep a tight control on the organization's finances; my finances won't run to (= I do not have enough money to buy) a new car this year”. More examples: “This report gives a global picture of the company's finances; at the project meeting, he criticized her handling of the finances; the

¹ In Greek the word «ευκαιριακον» is made up of 2 words: «ευ» meaning good and «καιρος» meaning critical moment (Liddell and Scott, 1991) in Ancient Greek and weather in Modern Greek.

company's finances are in a mess; it was a relief to know that our finances were taken care of; on 25 July the council was summoned to hear an emergency report on its finances”.

Another contrast of definitions (amongst a multitude of similar definitions) from internet sources is as follows (Diffen): Economics is a social science that studies the management of goods and services, including the production and consumption and the factors affecting them. Finance is the science of managing funds keeping in mind the time, cash at hand and the risk involved.

It is very clear from the above examples that “finance” is about money, and finance and money are synonyms to each other.

On the other hand, Economics is about efficient production and its impact on consumption, distribution of income, imports, exports, government, and society in general. It is also about the organization of machines, equipment, structures (e.g. dwellings) and the working force. Economics is the science of developing the national economy of a country with the purpose to increase the standard living of its people in a continuous, sustainable and equitable way.

Therefore we can conclude that Economics is not Finance. We can say that the Economy generates money but money does not generate Economy unless we can use money for investment.

This real differentiation between Finance (money) and Economics is the reason for using two different words in all languages of the world (those (many) I checked with international Dictionaries) except one, the Greek language. For the main languages, we have a clear distinction: in Italian we have *finanza* for finance, *economia* for economy; in Russian, the relevant word of finance is based on “finance”, and economics on “economics”; in German we have *finanz* for finance, *wirtschaft* for economy; in Chinese *jinrong* for finance, *jingji* for economic; and so on.

In Greek language, the word “*Oikonomika*²” is used for both Finance and Economic (s) as well as for several other uses. Let us take an example from the world literature where we can see concepts that are related to “finance”. In the book “*Restoring Financial Stability*” by Acharya and Richardson (2009) the authors do not talk about economics but about financial issues such as hedge funds, derivatives, banking systems, bailouts, mortgages, financial regulations and financial institutions. Unfortunately, in Greece the huge majority of people think that all these concepts are part of economics and the Economy.

Nonetheless, there are some more correct translations. This same book “*Restoring Financial Stability*” by Acharya and Richardson (2009) was translated in Greek more correctly as “*Αποκατάσταση της χρηματοπιστωτικής σταθερότητας*” (the only significant mistake in the translation is that they say “...οπουργείων οικονομικών”, but they should say “...οπουργείων χρηματοδοτησεως”) from the internet site:

<https://www.linguee.com/english-greek/translation/financial+stability.html>

Also, from the same site above we can see the following translation from English to Greek:

The English text is: “The participation of a Member of the Commission will help to establish a link with the macro-economic and financial surveillance of the Community, while the presence of the Chairman of the Economic and Financial Committee reflects the role of finance ministries in safeguarding financial stability.” The Greek translation becomes (from the same site): “Η συμμετοχή ενός μέλους της Επιτροπής θα συμβάλει στην εγκαθίδρυση

² Economics comes from the Greek word *Oikonomika*, which is the first book in Economics, written by Xenophon in the 4th-5th century BC.

ενός δεσμού με την μακροοικονομική και χρηματοπιστωτική εποπτεία της Κοινότητας, ενώ η παρουσία του Προέδρου της Οικονομικής και Δημοσιονομικής Επιτροπής παρουσιάζει το ρόλο των υπουργείων οικονομικών στη διασφάλιση της χρηματοπιστωτικής σταθερότητας.”

However, some extra examples will demonstrate this unfortunate language institution in Greece.

An “accountant” in Greece is called “economist” (“οικονομολογος” which is οικονομολογος in Greek). In all other countries in the world that I could check an accountant has the well-known function of dealing with the financial situation of firms and hence he/she is called as such, that is an accountant. However, in Greece, an accountant, although he has a degree in Accounting, he/she is called Economist. This misnomer has also become an institution in this country. Thus, any taxation private business office (for consultation) the accountants working there are called economists (οικονομολογος).

It happens very often to the present writer when I tell people that I am an economist (οικονομολογος) that they tell me “me too, I am οικονολογος”, but they mean just accountant. This misnomer was not always obvious to me. I was surprised once when they proposed to me to be the manager of the Accounting section of a company in Greece when I was working there about 30 years ago. They could not understand why I refused: I was not an accountant but they thought I was because they knew that I was an economist (οικονομολογος)! What a confusion. My suspicion about this misnomer grew much more when my business partner of the Taxation and Seminars Office (which I had about 25 years ago in Athens) kept telling me that he was an οικονολογος but he was just an accountant by studies and profession and he knew nothing about economics. Note that accountants are very useful in society, but their profession is not the same as that of economists.

The use of the same word for both Finance and Economics has many disastrous consequences in logical associations of everyday communication on all levels of society. The Minister of Finance (as it is called in all countries of the world³) is called in Greece “The Minister of Economic(s)” (where Economic(s) is the plural form of Economic). This Minister with this peculiar title does exactly the same things as any other Finance Minister in the world: determining the National Budget with taxes and expenses, paying public servants, financing infrastructure, and so on. This misnomer has also become an institution in this country.

Thus, in Greece everybody thinks that the Minister of Economic(s) (“Οικονομικον”) is the Minister for the development of the Economy, calling that Minister “The Czar of the Economy”. But in reality this Minister is not such a czar. The national budget of course has an impact on the economy but the development of the national economy is much more than the national budget. A very important consequence of this confusion is of course the blame they put on economists in Greece for the poor economy of this country; however, these economists (οικονομολογοι) are not economists but either accountants or finance specialists⁴.

In everyday life people may say “my economic(s) (“οικονομικα”) was not good last year” meaning “my financial situation was not good last year”. In many debates on TV, and other mass media, the same confusion exists; at the end nobody knows what Finance (money) is as against Economics. Consequently, everybody in Greece talks about money but nobody talks about the Greek economy, but they think they do! What a confusion. Very often when I find the opportunity to talk to various people about the Economy, I ask them directly: “what do

³ In South Korea, the relevant Minister is called The Minister of Finance and the Economy. This in my opinion is a very good title.

⁴ In addition, in governments, very often the management of the economy is given to lawyers and other professions which have nothing to do with Economics.

you think the economy is?” and without hesitation they tell me (probably 85% of the time) that Economy means money, or even worse that money means Economy.

However, this answer is wrong as we can see in the following scenario. I often reply to them with the following example: suppose a helicopter flies above Thessaloniki City carrying billions of Euros in cash and drops these millions to the streets of that city; do you think the Greek economy will become better? They get confused about the answer; of course the correct answer is “no, the economy will not change and probably it will become worse because much of this huge amount of money will be spent on luxurious imports; but if only a handful of dynamic entrepreneurs got hold of all this money (hence under the obligation to invest this money) they would be willing to and would create big firms which would increase the productive capacity of the country substantially”.

In national education, some Universities now have changed their names and have all become “Economic Universities”; what does this mean? In these Universities they teach Accounting, Marketing, Management, Economics, etc. For example the previously called ASOEE (Supreme School of Economic and Commercial Sciences), now it is called Economic University of Athens. The previously called Industrial University of Piraias now it is called Economic University of Piraias. It is complete confusion: everything is economic; and when everything is economic, it is nothing! Both in terms of cognition and in everyday life. Often I meet people who graduated from these Universities (and other similar ones) who tell me “I am an economist”, but when I ask them “what exactly do you mean?”, they might say “I studied management of business, or marketing, or accounting, etc.”; upon further inquiry they would say that they also did some courses in economics such as macro or micro, etc.

Still in Education, some books now published by Greek writers and taught in Greek Universities are called “The Real Economy which in Greek is Πραγματικη οικονομια” (e.g. by Vaitzos and Missos, 2018)⁵, which in usual economics terminology should mean Economy in real terms, that is after having taken into account inflation. However, in Greece, “real economy” is used extensively in all social circles to mean “not financial economy”! What a “confusion”! There is no “real economy”, or “non-real economy”; the economy is one, just “economy”; and finance or money is used to express the economy in money terms or to develop it through investment and sometimes through consumption.

Why this insistence of using the terms Finance (money) and Economics in such a blurry manner? I believe that one of the not so obvious reasons is related to the ancient times in Greece during which the economy was similar to that of the pre-industrial revolution in the UK: the technology was much simpler, the branches of industrial production were basic, the value added was small, the competition extreme; and most important, the total production responded mainly to the discovery and production of precious metals (silver and gold). In Filodimos (1994) we can see how in Ancient Greece and Rome money was treated and related to the economy (Filodimos lived during around the first century BC); Finance and Economics were freely interchanged and there was already some “confusion”.

One of the main more obvious reasons as to the “confusion” between “finance” and “economics” in modern Greece might have been the parallel evolution of debt and history in this country. It is well known that Greece has been immersed with foreign borrowing since the 1820s (for example see Zikakou, 2015; Menzel, 2014; Melas, 2013). From the beginning of the modern history of this country, there was no other choice than to live on credit. Greece

⁵ I am not suggesting that this book or other similar books are not good. I am only talking about this unfortunate terminology used in Greece. However, University professors may find useful to make clear how the words of Finance and Economics should be used.

was born in debt. Hence from very early, finance has become synonymous to economic development. Let's see briefly how debt and financial aid from abroad has become a continuous necessary evil for this country's evolution since the 1820s.

Effectively, Greece has defaulted on its external debt five times in the modern era: 1824 to 1827 (with several loans), 1843, 1860, 1894 and 1932. Thus, in 1832, Greece borrowed again, this time 60 million French francs. This loan was used to repay Greece's previous British loans, but in 1843, Greece defaulted on the repayment of the 60-million-franc loan. After this default, Greece was excluded from international capital markets for decades. By 1878, the international markets opened once again to Greece, and the country received six loans: in 1879, in 1884, in 1887 and in 1890-1891. These loans led the country to another bankruptcy in 1893/94. Greece's then Prime Minister, C. Trikoupis, stood before parliament and made the most famous statement of his career: "Regretfully, we are bankrupt."

In 1898, foreign pressure led Greece to accept the creation of the International Committee for Greek Debt Management. This committee monitored the country's economic policy as well as the tax collection and management systems. In the early 1930s, many countries defaulted on sovereign debt obligations due to the Great Depression. Greece imposed a moratorium on paying on its outstanding foreign debt in 1932. This default lasted until 1964, the longest of any of the country's five defaults. More recently, on May 3, 2010, the Greek Prime Minister G. Papandreou signed the First Economic (it should be called Financial!) Adjustment Program for Greece, also known as the first bailout package, totaling 107.3 billion euros of financial assistance. More loans followed since then e.g. in March 2012 till 2014 and beyond

Some evidence of the old sin of the "confusion" between Finance and Economics can be found apparently from older editions of Greek newspapers. In "Acropolis" newspaper of 21 May 1933, the front page had the title: "Here Mr Minister of Economic(s) where you must guide the foreign experts to see by themselves what poverty and misery hits Greece". So what can this Minister (of the Budget) can do? Of course he is not the czar of the Greek Economy. In "Athinaiki" newspaper of 10 July 1961, in relation to the entry in the then European Common Market, the front page said: "Economic assistance 125 million dollars". Obviously they mean financial assistance; then why do they call it economic assistance? In "Acropolis" newspaper of 26 April 1967, the front page said "The economic life of the country..." and they talked about the shares of the Stock Exchange, the bonds, international loans, etc; so they mean "the financial life..." not "economic life..."

3. Language as an Institution: reason to differentiate Finance from Economics

In general, institutions are formal or informal rules and include customs, practices, and culture. For example, the institution of marriage is present in all cultures although its details vary widely across them. Here, we do not take the definition of an institution as being a large group of people who work together for a specific purpose, such as hospitals, universities, and banks. Thus, an institution is a social entity (structure) according to which people can and often must cooperate. Therefore it impacts on the behavior of people and the way they conduct their lives because it creates rules (often informal but powerful). Examples of institutions are: government, education, kinship, law, defense, markets, trade, religion, etc. Extensive analyses on the positive or negative role of institutions in the survival and development (or otherwise) of nations have been the object of institutional economics; for example see North (1990) or Acemoglu and Robinson (2012) more recently.

Institutions are also related to existing technologies (in the broad sense)⁶ since institutions are useful for the advancement of material (and non-material) well-being of people in a society by using technology accordingly. Hence the following definition is also adopted in this paper:

“...Institutions-ways of doing things, thinking about things, and distributing the rewards for work, etc. - arise to support a set of material circumstances. Most beings are indelibly stamped with a set of preconceptions unique to their particular time and place, and most particularly, these preconceptions rest upon a given technological system...” (Ekelund and Hebert, 1997, p. 412)

In the present section we will examine the importance of the institution of language in generally. Thus, language is a social institution, both shaping and shaped by society. Language and society are endogenous to each other. In particular, these two entities are linked together through culture which Duranti (1997) defines as something learned and transmitted through generations via human action which involves face-to-face interaction and linguistic communication. Thus, language plays a pivotal role in culture transmission. “Institutions influence behavior because they provide the rules of the game and the incentives faced by individuals” (Pagano, 2004) and language does that exactly: it significantly influences behavior.

Furthermore, language does not exist separately from culture which is a set of socially inherited practices and beliefs that determines people’s lives. Culture and communication are inseparable because culture not only dictates who talks to whom and about what, but also how the communication proceeds. It also helps to determine how people encode messages and their meanings; hence it regulates the conditions and circumstances under which various messages may be noticed and interpreted. Culture in this sense becomes the foundation for communication (see Sapir, 1929).

However, the reverse relationship also exists: language as an institution influences the thinking and decision making process. This is part of the so-called hypothesis of linguistic relativity, also known as the Sapir–Whorf hypothesis or Whorfianism: it claims that linguistic categories and usage *influence* thought and decisions. In addition there is a degree of linguistic determinism: language provides constraints in some areas of cognition (Ahearn, 2011).

Here is a good example about the interaction between language and influences on cognition. The English language has only one word for 'snow' whereas the Eskimo language has several. This is because the Eskimo people must be able to differentiate between different types of snow. Thus, human beings are very much at the mercy of their own particular language which has become the medium of expression for their society. The real world is to a large extent unconsciously built up on the language habits of the group (Sapir, 1929).

However, language and society is constantly evolving and are subject to growth and change. This continuous evolution is due to what society is made from: its population and human potential, which in turn both rely greatly on the presence of communication in the form of language. Thus, communication of ideas (and emotions) is essential for the development of society and this has been made possible because of the diachronic formation of language. "It arises and develops with the rise and development of a society. It dies when the society dies. Apart from society there is no language." (Stalin, 1976, p. 20).

⁶ See Sanidas (2004) for a detailed analysis of what we mean by technology in the broad and strict sense.

Deutsch (1966, p. 91) went a step further when he stated that for people "...the richer their cooperation in producing tangible goods and services, in developing highly developed societies, and developing and sharing intangible treasures of knowledge, art, and values, the greater their need for rich, varied, quick and accurate communication." The latter can be expressed in economics terms as transferring the maximum amount of information with the minimum effort (Zhang and Grenier, 2012). Rubinstein (2000) asserted that the specific meaning of any word is formed by the evolutionary equilibrium caused by the optimization of language evolution.

Table 1. The language institution and its role in not differentiating between Finance and Economics

Impact of language institution in general	Impact of non-differentiation between finance and economics
People can and often must cooperate.	People cannot cooperate efficiently
Language and society are endogenous to each other	Breakdown of this endogeneity
Language and culture dictate effective communication	Breakdown of this communication
Language helps to determine how people encode messages and their meanings	Breakdown of this encoded messaging process
Language regulates the conditions and circumstances under which various messages may be noticed and interpreted	Breakdown of this interpretation
Language as an institution influences the thinking and decision making process.	It weakens this process
Language provides constraints in some areas of cognition	Cognition is not properly controlled
"The Eskimo must be able to differentiate between different types of snow"	It limits the understanding of the huge varieties in economic life
The real world is to a large extent unconsciously built up on the language habits of the group	The groups in society are unconsciously negatively affected
The more developed a country is, the greater their need for rich, varied, quick and accurate communication	It restricts the development of the country
The ability to have a huge databank of words and to be able to formulate the words properly is part of critical thinking	Critical thinking is limited
Language empowers man to be able to deal with conflicts, make decisions, and argue.	Negative limitations on decision making
Words man chooses to use can tell the truth to, or mislead others.	Increases the possibilities to not tell the truth and hence mislead others
Language can be persuasive and persuasion changes motivation, attitudes, and behavior.	It limits positive persuasion
Language helps develop various outlooks of the world	It limits the possibility of a variety of outlooks
Diversity of words in the language, and knowing how to use language to empower people, all require people to know how and when to use the precise and useful knowledge to reach their objectives.	Precise and useful knowledge is not possible

To summarize, the ability to have a huge databank of words and to be able to formulate the words properly is part of critical thinking. Language empowers man to be able to deal with conflicts, make decisions, and argue. Words man chooses to use can tell the truth to, or mislead others. Language can be persuasive and persuasion changes motivation, attitudes, behavior; it helps develop various outlooks of the world. Reading daily newspapers, watching television, surfing the internet and other types of media are instruments of persuasion whether intentionally or not. Diversity of words in the language, its persuasive effect in the day to day life, and knowing how to use language to empower people, all require people to know how and when to use the precise and useful knowledge to reach their objectives.

Table 1 further summarizes the salient points of this section and links them to the non-differentiation between Finance and Economics. We can see in this Table the outstanding negative impact that the non-differentiation between Finance and Economics has on society and economy.

4. Science of Economics: reason to differentiate Finance from Economics

It might seem obvious to many readers⁷ that “Finance” is not the same as “Economics”, but we need to briefly elaborate on these two concepts for the sake of this paper. Although the aim of this paper is not an extensive comparison between “finance” and “economics” for its role in economic development, it will be useful to briefly mention some important differences in this role between the two concepts. When we say “economy”, we are concerned with the development and growth of output or production in an efficient way, which also takes into account consumption and income distribution issues; all this is the object of the science of economics.

On the other hand Finance’s object of analysis is money as a distinct and often autonomous product as related to shares, securities, bonds, derivatives, budgets, balance sheets, investment decisions, and so on. Thus, Neal (1990) talks about the famous bubbles during financial crises in his book of Financial Capitalism (and it would be very wrong to translate this as Economic Capitalism); furthermore, “...Finance, of course, is all about the future...” of securities, etc. (Coleman, 2015, p. 103).

The first remark is that Finance is like the milk, and the Economy (hence economics) is like the cow. Milk and cow are not the same: we need a cow to get milk, but the reverse is not true unless we use the milk in a particular way (for investment) to have more cows. This parable of the milk and cow shows us a very important issue: the economy (the cow) generates finance (milk), but finance cannot generate economy unless it is used for investment. And yet in Greece, since people use the same word (oikonomika) for both finance (money) and economy the confusion is disastrous. It is as if people in Greece live in a delusion that by-passing the cows, the milk is produced by its own force ...or by some godlike force; and hence they promote this illusion in their everyday life. And yet, the emphasis should be given to the cows because their milk is just the consequence of the cows’ number, quality, health and good management.

However, we should also add that finance plays a unique role, either directly or indirectly, in the economy: it is the means for investment. Thus, through the Stock Exchange, shares become financed investment for the firms listed in it by anybody in the world. Derivatives

⁷ Many economists (e.g. professors of Economics) in Greece know how to differentiate Finance and Economics. Obviously this paper is not addressed to them. It is addressed to the huge majority of people in Greece who have been immersed in this non-differentiation for a long time.

and other financial innovations eventually can finance investment in promoting firms which buy these derivatives. Overall, as Stiglitz (2010, p. 265) remarks, "...well-functioning financial markets are at the center of a successful market economy because they direct the allocation of scarce capital, one of the key scarce resources..." In addition, stock prices affect business decisions and government decisions, which nonetheless still overwhelmingly affect investment decisions. This distinct role of finance makes it even more necessary to differentiate between Finance and Economics.

To further understand the basics of finance (always as opposed to the economy and economics) we can first observe that in some instances finance can be the reason for the redistribution of wealth, not the creation of wealth (which only the Economy can achieve). Such an instance is the functioning of financial markets and markets for information (Stiglitz, 2010, p. 268). Finance can also be detrimental to the economy as it can create bubbles in the housing market (Stiglitz, 2010, p. 270). In addition, as Stiglitz (2010) correctly analyzes in more detail, we can have four "battles" in order to understand the recent global financial crisis and its negative impact on the world economy: the macroeconomic battle, the battle over monetary policy, the battle in finance, and the battle over innovation economics. Consequently differentiation between these four terms of "macroeconomic", "monetary policy", "finance", and "innovation" becomes necessary (in any language).

Money (finance) has been the center of economic analysis since the time of mercantilism and the classical economists in the modern era (see further below about Greek Antiquity). Thus, during the mercantile era, "...money, not real goods, was commonly equated to wealth..." (Ekelund and Hebert, 1997, p. 42), and hence gold accumulation was paramount. Later in the 17th and 18th centuries, J. Locke and D. Hume introduced the quantity theory of money, hence linking the volume of money with price level; although the famous formula of $MV=PY$ (where M is money stock, V is money circulation, P is price level, and Y is output of national product) was introduced later in the 19th century (e.g. R. Cantillon) (ibid).

Although money was mostly thought to be neutral in its effect on the economy, even D. Hume had predicted that "...an increase or decrease in money supply impacted upon employment, output, and productivity, as well as on prices..." (ibid, p. 135). Much later in the 20th century, economists such as I. Fisher, K. Wicksell, and A.C. Pigou have introduced the modern version of the quantity theory of money, by linking it more rigorously to the real-balance effect, and interest rate. However, it was M. Friedman in the 1950s and 1960s who expanded on what is called now monetarism, through the introduction of the concept of "permanent income", demand for money, etc. Note that in the Keynesian context, money did not matter at all or very little (ibid, chapter 19). For an extensive modern treatment of all these issues see Visser (1974).

As Ekelund and Hebert (1997, p. 502) correctly remark, in the modern era, economists have expressed similar ideas from the 17th to the 20th centuries about money and finance and economy, although apparently there seemed to be differences in models and assumptions: money has precise effects on prices and production (at least in the short run); but underlying all these effects are powerful factors such as labor productivity and capital (machinery and equipment) formation. If we go even further back in time, for example, regarding money in Ancient Greece, we can extend and confirm these conclusions by Ekelund and Hebert (1997). As Doukakis (1997, chapter 5) explained, scholars like Xenophon and Aristotle indicated that money was not only a means of exchange but also a means of wealth accumulation; and a means of investment.

5. Conclusion

There should be little doubt about the unfortunate use of the word “oikonomika” in Greek, meaning almost everything related to business, economics, finance, management, etc. Whereas in all countries of the world, the distinction is clear between Finance and Economics, for example the Minister of Finance is not called Minister of Economic(s) like in Greece, and people do not say “my oikonomika” (economic) in order to mean “my finance”, in Greece people in all areas of the society ignore systematically the word Finance; they call it Economic, but they mean Finance! What a confusion! Another example: in Accounting Offices the Accountant calls him or herself Economist (oikonomologos). Why? This is absurd.

And yet there are so many words the rich Greek language has in order to express the concept of Finance: so the Minister of Economic(s) could be called the Minister of Money, or the Minister of any adjective made of the word money (e.g. Χρηματοδοτησεων); or it should be called The Minister of the National Budget; etc. The Universities and the government should clear up this confusion which is detrimental to the society as we attempted to show in the last three sections. Thus, for example people in Greece believe that the money is economy and that money is the solution to everything. However, this is not true; the economy is production which can only exist if there are several conditions in the economy: support of/for entrepreneurship, a favorable environment for investment, an effective government, money to be used for investment, etc. The economy can generate money but money (finance) cannot generate economy unless it is invested (or consumed under very special conditions).

We attempted to briefly show in one of the sections that language as an institution can be a useful tool of the society to communicate and develop through effective communication. Table 1 above summarizes some of the findings. For example, the more developed a country is, the greater their need for rich, varied, quick and accurate communication; however, this need is not satisfied when we do not differentiate Finance from Economics in our everyday economic and financial activities. After all, are all other countries ignorant to make this differentiation and only Greece is not? It is rather the reverse which is true.

Also in another section we gave evidence to the role of Finance (money) and Economics in the history of Economic Thought. For example we saw what the Quantity Theory of Money has to contribute in this Thought. This has not been a simple matter to treat for many economists; nonetheless, it was clear what the role of money has been central in the process of economic development, only if it is used as investment.

With this article, we hope that more discussion will be generated in order to eliminate this “confusion” between Finance and Economics in Greece. Unless we all talk about the same concepts we cannot resolve problems of economic policy. Hence differentiation between these two terms is absolutely necessary and yet it is not so easy to change an institution which prevailed perhaps for more than two thousand years in this country. The task becomes even harder because even in modern English terminology, sometimes Finance is used to denote relevance to both Finance and Economics. Thus, when Stiglitz (2016) wrote a book on the currency Euro prospects in Europe, this is Economics but also it touches upon elements of Finance. Nonetheless let us make our life easier in Greece as everybody else in the world does by using the word “oikonomika” only for economics and not for finance (money).

Our life in Greece does not become easier when the behavior of people is based on thoughts like “do everything for money”, hence “do everything for profit”, because people think that money is the economy! A consequence of all this is also the tendency for Greek voters to vote for anybody who tells them that “we have money”; and at the end, the responsibility falls on “all” people since politicians might say “... we consumed (“ate”) everything together” (with

just money). Of course a huge additional consequence of all this is that Greece has the highest external public debt (180% out of GDP) in the world, since the money (finance) had to come from somewhere (the milk of our parable) as it did not come from production (cows).

An additional consequence of all this is that everybody in Greece talks about money but almost nobody talks about the Economy. And yet the economy which is primarily growth in effective and efficient production should be our primary concern, and not money. Of course money (finance) is needed for investment in order to develop the economy, but for investment to come to Greece we must first organize the country's economy. The organization of the national economy means effectiveness and efficiency in the public sector, efficient governments to intervene in the economy when they should do, etc. However, we need another article for all this, once we use our language properly in the first place.

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