Rethinking Marxism: A Journal of Economics, Culture & Society
Publication details, including instructions for authors and subscription information:
http://www.tandfonline.com/loi/rrmx20

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Published online: 18 Apr 2013.

Rethinking Marxism, 2013
Vol. 25, No. 2, 293–295, http://dx.doi.org/10.1080/08935696.2013.769359

Review

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David Graeber's Debt: The First 5,000 Years *is a timely contribution to monetary and social-political thought. It is an incredibly ambitious book spanning many disciplines and themes and, as well, most of human history. Given the narrowness of orthodox treatments of money, and the popularity of superficial myths concerning its history, the expansiveness of Graeber's project is the source of much of its merit. That being said, the book is not without unevenness, particularly in linking his broad historical work to the current analysis of money, debt, and power. However, the popularity of Graeber's* Debt *is well deserved. It should be taken seriously by anyone working on money henceforth. What is not new in Graeber is done especially well. The areas where one is less satisfied are those in which we can be forgiving due to the ambitiousness of the analysis.*

Key Words: Money, Debt, Economic Anthropology, Economic History

Before presenting his own monetary history, Graeber critiques the standard barter story. People naturally barter. Barter is inefficient, so money spontaneously arises. Money is then dematerialized, (d)evolving from a commodity, to coin, to paper, to a digital fiction. Those familiar with post-Keynesian literature will immediately recognize Graeber's account of the problems in this hegemonic story. Graeber's first contribution is thus in truly denaturalizing this line of thought. The difficulty in undermining the reigning common sense is that counterexamples that appear too academic, or exotic, may act as exceptions that prove the rule. But Graeber succeeds in three ways. First, he provides many counterexamples. Second, he convinces the reader how silly it is to imagine economies without monetary exchange as otherwise identical to contemporary suburbia. Finally, he describes noncommercial human economies in a straightforward way.

"Human economies" are central to Graeber's story. In such an economy, what is "considered really important about human beings is the fact that they are each a unique nexus of relations with others" (208). Social money facilitates and represents

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these relations. Money, in these economies, is not a general equivalent since it deals with qualitatively complex relations irreducible to quantities.

Graeber outlines three different economic relations: communism (Marx's "from each ... to each ..."), hierarchy (based on precedent), and exchange (based on equivalence). They are principles, not macrostructures. Within a single institution, relations based on all three may coexist. While this diverse economy will be appreciated by readers of *Rethinking Marxism*, there is very little discussion of production. Communism, slavery, and feudalism are ultimately about distribution. The absence of production means that the story of *class*, debt, and money is left untold.

If economies are motivated, in part, by communism and hierarchy, how do we explain the prominent Beckerian worldview where all relationships are reducible to exchange between self-interested individuals? If money in historical human economies represents the *impossibility* of commensurability, how does a dollar value get placed on both the life of a human and a hat? Violence. The ability to put a price on life, most literally in slavery, is not only a type of violence, it is premised on it: "To make her equivalent to a bar of camwood takes even more violence, and it takes an enormous amount of sustained and systematic violence to rip her so completely from her context that she becomes a slave" (159).

The manner in which the anthropological evidence fits into Graeber's historical narrative may be contested. Nonetheless, I think the central role violence plays in his analysis is a major contribution. That money is power may be cliché, but rarely is the story told with such bloody detail. The violence of money's power of abstraction is anything but merely abstract. Post-Keynesians, such as Wray (1998, 57–61), will reference colonial monetary institutions to support a Chartalist argument but then proceed to policy suggestions. Shouldn't we worry about this violent colonial apparatus? I am not suggesting anyone is an apologist for colonialism. However, the Keynesian orientation leaves little space for challenging the institutions of capitalism itself. For Graeber, the violent history of money is not a foundation for optimal policy but is cause for a radical questioning of modern monetary/debt relations.

Debt and violence are Graeber's alternatives to barter qua origin. These are not mere objects. The dematerialization narrative will not work. In its place is a cyclical monetary history. In times of peace, credit dominates, but during war society turns to metallic coins. Like Graeber's account of violence, slavery, debt, and money, this is a detailed history, and the specifics must be passed over. I will focus here on the current post-1973 period.

Graeber characterizes the instability of both the 1970s and today as crises of inclusion. The golden age of capitalism failed because of the impossible demands of the excluded. The solution to this crisis was a counteroffer to the excluded. Secure employment with increasing wages is off the table, but now everyone gets to be their own little indebted corporation—the ownership society. However, "Capitalism doesn't work that way. It is ultimately a system of power and exclusion, and when it reaches the breaking point, the symptoms recur" (381).

This is a decidedly non-Keynesian account. The neoliberal shift was not an easily avoidable policy mistake. The failures of capitalism, in various manifestations, are not failures of political will—unless we are speaking of the will to question capitalism itself. Thus, left progressives with greater faith in the ability of managed capitalism to "include the excluded" may be unconvinced by Graeber. The argument is not fully developed, resting on a characterization of capitalism some will read as overly deterministic.

The limits of his account of the current conjuncture are apparent in the attempt to place it in the historical narrative. He argues that the military dominance of the United States is at the heart of today's global financial system, but this raises a problem. According to his cyclical history, military domination coincides with bullion. And why is incontrovertible fiat money hegemonic today? Graeber is aware of this problem, but does not resolve it convincingly.

A graph illustrating the correlation between U.S. federal debt and defense expenditures (increasing since the 1970s) is offered, presumably, to show the intimate relationship between the two. However, it is easy to produce a fairly similar graph with federal debt and *nondefense* expenditures. That major U.S. creditors have tended to be "military protectorates" is offered to support the link. However, the "turn not just to its military clients, but increasingly, to China" (369) is also marshaled as support for his argument. In the end, it is not that there is no link between America's "exorbitant privilege" in the dollar and its military power. Rather, it is not clear how this link fits into Graeber's metanarrative.

While there are weak, and sometimes confusing, points in this contemporary analysis, the framing of the problem is refreshingly radical. The current task is a struggle against austerity, as well as a struggle over how austerity is opposed. Higher inflation targets are nice, just like warm apple pie with ice cream, but they are not enough.

Graeber encourages us to reject both (1) the false choice of state or market and (2) the growth imperative that insists "humanity's success as a species is its ability to increase the overall global output of goods and services by at least 5 percent per year" (390). The specific proposal he makes is a global Jubilee. Debt cancellation is a possibility that has been raised by both the global justice and recent Occupy movements. The mainstream response to these calls is unsympathetic: "Without enforcement of debt what would happen to our economy?" If this concern has a shred of validity, the question is: why would we want to live in such an economy where prisons, already holding millions in "debt to society," are used to intimidate debtors, or where a boom in home construction must be followed by a boom in homelessness?

As a radical debt-based history of money, this book is an important contribution to current political economic struggles, helping to undermine the false choice of Keynes or Hayek. Graeber's account of money is certainly not Marx's. However, if we understand Marxian monetary theory as an (institutionalist) account of how the contradictions of capitalism shape the social production of money, the two approaches may be complementary.

Reference

Wray, L. R. 1998. *Understanding modern money: The key to full employment and price stability.* Northampton: Edward Elgar.