

## 5,000 years of debt?



### David Graeber, the anarchist and the legend

There is little need to introduce David Graeber to many of our readers. We might say that this anarchist lecturer in anthropology has reached the status of radical superstar thanks to his involvement in protests and to his bold radical positions and writings.

Graeber has rightly earned a great deal of street credibility. He has been involved in the campaign for the cancellation of 'third world' debt and against the policies imposed by the IMF in the run up to 2000; in the anti-globalisation movement at the turn of the millennium; and later in the US Occupy movement against austerity, which followed the financial crisis of 2008. He is also reputedly the person who coined the phrase 'we are the 99 per cent' which has circulated around the world. And he has been a vocal and consistent advocate of the practices of direct action and direct democracy.

Yet hundreds of thousands of radical people have taken part in large movements and direct action without becoming radical stars. What made Graeber so special was a blessed concurrence of academic skills and an anarchist stance. Being an academic, he has had the time and skills to access whole areas of human knowledge (history, political thought, economics and of course anthropology) and he has learned the communication skills to present his arguments.

In May 2005, Graeber's integrity received an international seal of approval after Yale University refused to renew his contract; this became a cause célèbre which he and his supporters draped in political legend. Graeber was dropped by Yale, the legend unambiguously confirms, because of his political activity, and/or for supporting a student union member threatened with expulsion.

As Graeber the academic was punished for being an anarchist, Graeber the anarchist is

forgiven for being an academic.<sup>1</sup> He has now acquired great influence in the anarchist and activist circle in London, and was a star speaker at a recent annual Anarchist Bookfair, eclipsed only by the journalist Paul Mason.

### **Debt as the theoretical product of the recent movements**

There is also no need to introduce David Graeber's book *Debt: The First 5,000 Years* to many of our readers. Again, a blessed concurrence has brought Graeber's history of debt to be seen as the *Das Kapital* of the Occupy movement. The book was published at the peak of debates and protests around the crisis of 2008, and the Occupy movement contributed to its diffusion.<sup>2</sup>

Occupy was a diverse and rather amorphous movement, mainly based on activism, and mostly anti-theoretical. On the one hand, its manifestations away from Zuccotti Park (Wall Street) included a militant commune in Oakland, which expressed a class analysis, as well as practical links to the shutdowns of many West Coast ports in a campaign to support truckers over wages and conditions.<sup>3</sup> On the other hand, Occupy has also promoted a campaign called 'Strike Debt!', which involves both advising people on how to manage their debt (through a manual)<sup>4</sup> as well as buying up and abolishing the debt of random people.

<sup>1</sup> He is also forgiven for using his writing skills, and an abundance of disposable time, to launch heated attacks on anyone who dares to criticise his book. As Henry Farrell complains: 'Unfortunately, David Graeber is also one of the most toxic people I've ever had the misfortune to get caught in a debate with... unfortunately incapable, as even a cursory Google search will reveal, of treating serious criticism as anything other than attempted delegitimation', ('No, China is not paying tribute to the US, Henry Farrell vs David Graeber, Part CCXXVII').

<http://delong.typepad.com/sdj/2013/02/is-china-paying-tribute-to-the-us-henry-farrell-vs-david-graeber-part-cxxvii.html>.

<sup>2</sup> As Mike Beggs wrote in *Jacobin*, Graeber became a guru of the Occupy movement, not only as a participant but also as an intellectual presence, his book in encampment libraries everywhere ('We need more grand histories, but 5,000 years of anecdotes is no substitute for real political economy', <http://jacobinmag.com/2012/08/debt-the-first-500-pages/>).

<sup>3</sup> <http://libcom.org/library/occupy-oakland-dead-long-live-oakland-commune> and <http://libcom.org/forums/news/west-coast-port-shutdown-today-12122011>

<sup>4</sup> *The debt resisters' operations manual*, <http://strikedebt.org/The-Debt-Resisters-Operations-Manual.pdf>

This amorphousness of the Occupy movement, and the lack of a coherent theory, provided Graeber with the opportunity to fill the gap. Indeed, there is a good fit. As we will see, his populist category 'the 99 per cent', which is so inextricably associated with Occupy, is as vague and amorphous as his concept of 'debtors'. It can easily include both class forces and cross-class alliances – as the movement has in practice.

Graeber therefore emerged as the leading intellectual from within a movement which was mainly practical.

The combination of street cred and dazzling erudition displayed by his book served to gain a positive response from many activists and even Marxists. Not only did *Debt* achieve popularity in anarchist circles, it also sold an amazing number of copies to a more liberal general public (the original sold 60,000 copies in the first 10 months). It was praised by academics, journalists and even conservative readers.

What was the secret of this success? Firstly, its timing: the financial crisis, linked to signs of popular anger, expressed by Occupy and, internationally by other large movements such as the 'Arab Spring'. It was a moment when the global financial system had been put into question, a moment which called for bold theoretical criticism.

Graeber caught the very right moment. *Debt* denounced and questioned the global financial system in an uncompromising way; and the historical moment (the rebellion of millions of people around the world) endorsed *Debt* with its own significance. Members of the established order, as well as the intellectual left, were prepared to respect this bold book and to accept it as a theoretical criticism of the financial system. However, at the same time, they were perhaps not willing to subject the book to the same level of scrutiny which other books would have received.

### **Awe inducing and cosy radicalism**

While there were a number of critical reviews from Marxists, there were also many positive reviews, not only from anarchist or activist circles, but also in leading journals and even from among the bourgeoisie; Ingo Stütze mentions even a review by the chief economist of the Deutsche Bank group.<sup>5</sup> All reviewers were impressed by the erudition; and left wing readers were impressed by the audacity of the book – for example by the much-praised sentence: 'I would like, then, to end putting a good word for the non-industrious poor.'

<sup>5</sup> This was published in the April 2012 issue of economic policy journal *Wirtschaftsdienst*. See 'Debt and punishment: a critical review of David Graeber's *Debt*', Gang of Four at the Columbiashalle, Berlin, 26/3/2011. <http://communism.blogspot.eu/2012/06/12/debt-and-punishment-a-critical-review-of-david-graebers-debt/>

At least, they aren't hurting anyone'.<sup>6</sup> Even among some in the non-Leninist left, criticism was mild and often limited to one or two isolated issues, among the million and one mentioned in the book.<sup>7</sup>

While the secret of *Debt's* success for the anarchists is clear, its success with the middle class or even bourgeois readers is more interesting. A review of Graeber's new book on direct democracy from a *Guardian* columnist and academic makes it clear, Graeber's radicalism can fill the heart of the intellectual elite with a radical feel-good factor, and still feel reassuring:

Reading *The Democracy Project*, I felt the sting of his critique. Like many people, years of inconclusive crisis politics have left me feeling jaded and apathetic. Despite its faults, this book woke me up.<sup>8</sup>

It is perhaps *Debt's* good-heartedness, its implicit vision of 'the poor' as victims, its use of common-sense and ultimately bourgeois concepts of 'violence' and 'theft' as moral benchmarks, that are reassuring. There is nothing there that can be felt as threatening to the sacred principle of private property and the current pecking order enjoyed by academics, journalists and other such delighted readers. But there is more. It is Graeber's idealistic radicalism, his exhortation to creatively 'go beyond' established boundaries of imagination, married to a moderate practical demand (a debt jubilee), that makes the book reassuring: precisely because it's so extreme, Graeber's radicalism can afford to exist on another planet and can be enjoyed by members of the elite with a clear conscience.

But it is not just a question of overall feeling: in Part One of this article we will show that the very reason for writing *Debt*, the need to tackle the 'moral dilemma' of whether debts should be repaid, and the book's structure as a history of

<sup>6</sup> p. 389

<sup>7</sup> For example, Wildcat's critique starts by praising Graeber as his 'writing bristles with hostility to capitalism' and for not 'engaging in sectarian point-scoring'. They then plunge into scholarly arguments about the concept of 'materialism' in order to attack Graeber's understanding of 'materialism' as simply 'greed', and to criticise him for avoiding the issue of material relations among classes. The fact that Wildcat *feel the need* to confront Graeber's erudition with erudition, however, has the result of softening their excellent critique into a numbing and pain-killing debate between radical intellectuals, which ends up radiating a feeling of cosy reciprocal respect. 'No interest but the interest of breathing', *Wildcat*, 30 June 2012, Wildcat feel the duty to confront Graeber's 'erudition' with erudition. [http://www.wildcat-ww.de/en/wildcat/93/e\\_w93\\_bb\\_graeber.html](http://www.wildcat-ww.de/en/wildcat/93/e_w93_bb_graeber.html).

<sup>8</sup> David Runciman, 'The democracy project: a history, a crisis, a movement by David Graeber – review', *The Guardian*, 28 March 2013. <http://www.theguardian.com/books/2013/mar/28/democracy-project-david-graeber-review/>

debt across the millennia, betrays an ultimately conservative view of the present which does not threaten the present order of things – not just practically, but even in terms of ideas.

In Part Two we will exorcise ourselves (and the readers) from the magic created by Graeber's universally praised erudition, that has caused so many casualties among the intellectual left's brains – not to speak of among bourgeois readers. Our analysis will lead to the crucial question, which is also the real moral dilemma: 'is David Graeber the new Tommy Cooper?'

## Part 1: MORAL DILEMMA AND MORAL CONFUSION



### The dilemma... and Graeber's solution

*Debt, the first 5,000 years* originates from a long and detailed anecdote about an ambassador's party which Graeber happened to attend for 'a series of strange coincidences': during the party, between an olive and a glass of champagne, he failed to persuade a young woman about the justice of the anti-capitalist movement for the cancellation of international debts. The woman could not be convinced – because, she stated, 'debts must be repaid'.

This strong statement seemingly gave Graeber many sleepless nights, and the imperative to resolve what he saw as a moral dilemma: on the one hand, it is universally believed that 'debts must be repaid'; on the other hand, creditors are, morally condemned in every culture. For Graeber, this 'dilemma' is rooted in a general lack of understanding of the nature of debt: a void that needs to be filled in, today more than ever. The global financial crisis has been caused by a corrupt credit system and as such it has caused popular outrage; yet the ensuing protests, lacking focus, petered out and failed to overthrow

capitalism. Reading between the lines, this historical failure proves the historical necessity for Graeber's intellectual contribution.

*Debt* was therefore born to clarify the nature of debt and its moral issues, once and for all. And Graeber gives us, indeed, a solution of the 'dilemma', one so straightforward and convincing that one wonders why nobody has ever thought of it: *there is a crucial distinction between 'moral obligations' and 'debts'*. Moral obligations are based on direct relations; in contrast, debts are obligations based on impersonal money.

While all cultures maintain that moral obligations should be met, this same imperative cannot be applied to debts. Graeber has an unquestionable, no-nonsense argument why debt is morally bad and should be opposed, and repeats it almost every other page:<sup>9</sup> debt and commercial money emerged and have always been based on three obviously bad things: 'war', 'violence' and 'crime' (sic).

The difference between debts and moral obligations would seem obvious, but is not. As *Debt* shows us, with the ascendancy of money, the religious and cultural hegemony of a ruling class of creditors brought about a 'moral confusion', or, better, a semantic fraud: that of calling 'debt' any moral obligation. Like an original sin, this moral confusion still today splits us apart: it is this confusion that has prevented the ambassador's guest from approving of the anti-capitalist movement, and has stopped the masses from tipping over the present global financial system.

Besides solving the Moral Dilemma, *Debt* gives us much more: a study of various forms of credit and money, with plenty of historical, cultural and anthropological references, quotes, and examples. Sieving through all this knowledge, it also presents us with an intriguing new meta-narrative. Since the invention of commercial money, Graeber says, human history is a cyclical recurrence of two 'ages', characterised by either credit money or currency – the first one pacific and dotted in debt jubilees, the second one belligerent and plagued by debt slavery.

### Whose moral confusion?

Graeber's wisdom seems to rest on a solid, broadly accepted common sense, which anyone, including anarchists and leftists, may immediately feel like sharing – who's not against 'war and violence' indeed, so who is not against money and debt?<sup>10</sup>

<sup>9</sup> This makes about 1,000 times, or feels like.

<sup>10</sup> Graeber adopts the concepts of 'war, violence and crime', with their immediate emotional baggage, from mainstream common sense, and appears uninterested in addressing the anarchist criticism of their ideological connotation. The use

Yet, if we look closely, we realise that making a distinction between 'debts' and 'moral obligations' does not solve Graeber's dilemma at all, because exactly the same dilemma affects both things. Banally, like debts, it is not true that all moral obligations must be met: on the one hand, moral obligations are necessary in any society or community, or even friendships; on the other hand, moral obligations towards a *Pater Familias* in ancient Rome, a priest in ancient Egypt, or a feudal lord in medieval Europe were part of the ideological glue that kept together relations of inequality and exploitation.

Thus, while it is clear that certain moral obligations should be met, it is also clear why peasants, faithful, serfs, etc. should rebel against moral obligations towards kings, lords, priests, etc. Also, and crucially, behind these moral obligations lurked the threat of violence.<sup>11</sup> Even from the viewpoint of Graeber's benchmarks of 'violence' and 'crime' (sic) there is then a problem: violence and the threat of violence do cut across both debts and moral obligations.

With the use of a fictional time machine, we can imagine a guest at a party in a medieval castle, telling Professor Graeber, between a piece of pheasant and a glass of mead, that all moral obligations must be met, and condemning the recent peasants' rebellion – what would he reply to this? The real reason why nobody has ever devised Graeber's solution of the 'moral dilemma' before Graeber himself is not because we have always missed something really clever, but because the 'discovery' that moral obligations are not the same things as debts is a non-solution, which explains nothing at all.

### Debt relations and Lycra socks

It is not only that Graeber's solution of the 'dilemma' is a non-solution: Graeber's dilemma does not exist in the first place! The 'dilemma', which many of us do not share, is actually the product of an abstract question: whether 'debts', in abstract, 'must be repaid'. Any debt, made by anyone to anyone, in any circumstances and contexts, in any historical situations, by individuals or nations, etc.

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of 'theft' as a moral/political benchmark is even more problematic.

<sup>11</sup> Graeber glosses over anything that contradicts his simplistic distinction of 'debt' and 'moral obligations'. Throughout the book, he consistently plays down exploitation, slavery, sexual domination, tribal wars, in societies where money was not in use or coins did not circulate in large quantity. So, for example, we hear that slavery was 'morally accepted' before money, and became nastier later; that sexual inequality was not so bad before money; or that the serfs of the glebe in medieval Europe had a relatively happy life with respect to Roman slaves. The comparison of forms of domination with a miser-o-meter is not really what one would expect from a radical mind.

But debt and forms of money have different meanings in different human contexts, and they cannot, on their own, explain human relations. Banally, a debt relation does not really tell us anything much about the balance of forces between the two parties. As Ingo Stützle correctly wrote:

Various actors engage in credit relationships. Debtors can be states, wage labourers, or businessmen, for different reasons... The perspective of credit, however, causes them to all look the same; *the reason* for the credit relationship that arises appears irrelevant'.<sup>12</sup>

It is only when we look at our concrete relations (who keeps the wealth away from whom, who enjoys the results of whose work, etc.) that everything becomes clear and *any moral confusion disappears*: the dominated and the exploited *know* which moral obligations or debt would be good not to meet if we could!

The whole meta-narrative of *Debt* and its reading of history is in fact based on such empty concepts, which pretend to explain human relations and history, but in fact impoverish them. Starting from such poverty of concepts in order to explain a wealth of complex human relations, it is like trying to say something deep about different feet, starting from a pair of Lycra socks that fit all sizes. Thus Graeber has to give to debt a one-size-fits-all meaning, which is expected to apply to all subjects and epochs: he adopts the moralistic and 'radical' common sense that the 'victim' is the debtor and the 'villain' is the creditor, an understanding which simply stands on its head the bourgeois 'common sense' that the creditor is in the right and every debt must be repaid.

It is not a surprise that this abstract approach lands Graeber in unnecessary and quite entertaining muddles, for example, when he has to explain why the US, obvious international villains, are the biggest international debtors in the world.<sup>13</sup>

### When the debtor is the villain

The US is not the only problem for Graeber. One example which is more interesting, because it relates to our daily feeling of being robbed of our life, day in day out, is waged work.

If we work for an employer, we spend many hours of the month in their office, shop or factory, expecting to be paid a wage in exchange. Yet this exchange is not simultaneous: the payment of our wage is suspended to the end of the week or month. As Graeber correctly notices, the fact that

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<sup>12</sup> 'Debt and punishment: a critical review of David Graeber's *Debt*' (op. cit.).

<sup>13</sup> In Part two we will enjoy Graeber's acrobatics to get out of this muddle.



we work is ensured by this suspension, which is in fact a debt relation. In a social relation fundamentally based on exchange only a relation of debt can oblige individuals to do something for other individuals.<sup>14</sup> All this seems quite correct and consistent with the rest of *Debt* and its spirit: debt relations underlie the relations of rich and poor, exploiters and exploited, as it has always happened during the last 5,000 years... Yet, there is a little detail that does not fit: the employer, who is the obvious villain, owes money to the employee at the end of the month and is thus, in this respect ... a debtor.

This, however, does not sound right. If, according to Graeber's moralistic approach, the employer is the obvious villain, he must be a creditor, by hook or by crook. In order to impress us with his erudition and shows us that this is the case, Graeber makes us travel to a village in the Pyrenees, where direct relations overlap with relations of exchange. An employer who gives a job to someone in his provincial town favours someone he knows, and this generates eternal gratitude. Like in a Sicilian provincial town the employee feels the obligation to give a present to his employer every Christmas. See? Says Graeber, this is a debt relation, where the factory owner is the creditor. And, he likes to add, no presents can ever pay the debt back – the debt to the factory owner is un-repayable.

If we leave the Pyrenees and go back to Brighton, however, we will find that here most economic relations are based on exchange and not on people knowing each other. In Brighton it would be funny if an Asda cashier owed

<sup>14</sup> Marxians and Marxists may question this interpretation of the wage-labour relation, as we do not really exchange labour with a wage – we put our labour capacity in our employer's hands, instead of selling to the employer the product of our labour. This subtle distinction is at the basis of the apparent 'self-expansion' of a monster: capital.

Christmas presents to the board that selected him:<sup>15</sup> what is peculiar in the Pyrenees is the fact that the 'debt' is actually *not a debt, but... a moral obligation*, based on direct relations, and not inherent in the exchange of wage and work. And one which has been abolished in a developed capitalist context as in the Asda store in Brighton.

We are not criticising Graeber for not being a Marxian... but for not being Graeberian! Having already read half of his book, we believed that his great discovery, the one that solved the moral dilemma of the last 5,000 years, was that 'debt is not the same thing as a moral obligation'! And we were given detailed examples of such moral obligations extracted from anthropological studies, which corroborated such a qualitative distinction; and showed that moral obligations are based on direct relations, and as such *can never be repaid* in terms of money or valuable presents. We are therefore surprised that the same person, who wrote the previous half of the book seems unable to spot one of these moral obligations when he stumbles into it, up in the Pyrenees.

The truth is that, as debt relations are empty shells, it does not matter that the employer is the debtor and the employee is the creditor. In fact, the same wage relations can be seen as a debt or a credit from different points of view, or whether the worker is paid in arrears or in advance.<sup>16</sup> The truth is that a wage relation is *not* based on who is the creditor and the debtor, but on who is the exploiter and the exploited. Graeber fascinates us with clever abstractions and little stories and lures us away from the concrete, and crucial, issues: the relations of power in capitalism, which we need to understand if we *really* want to change the world.

Graeber is even unable to understand the basis for power and exploitation in any distant space and time, let alone today. This is clear when he equates the relation of parents and children with that of feudal lords and serfs, and when he states that, in order to be an aristocrat, one simply needs to behave like an aristocrat.<sup>17</sup>

<sup>15</sup> This does not make their exploitation less nasty.

<sup>16</sup> Graeber would not have needed to make desperate recourse to pre-capitalist relations in a mountain village to prove that the employer is the creditor, if he had adopted James Mill's theory, which looks at production from the point of view of the bourgeoisie. According to Mill, the employer advances the wage, and will be only repaid when the final product is eventually sold – this may take a long time. However, in this perspective the debtor is *the working class as a whole* and each individual worker owes *nothing* to the employer after pay day. The problem here, however, is that we are speaking about collective relations: there is no space for Graeber's simplistic relation debtor-creditor as victim-villain. Ingratitude is rather expressed by the collective refusal to act as the working class, when for example a strike disrupts the scheduled production!

<sup>17</sup> These statements are consistent with the astonishing reduction of *all* human behaviour, in any space and time,

Do we need to explain to him that, even if Baldrick behaved like an aristocrat he would have only controlled his turnip? And what made a feudal lord a feudal lord was the *actual* control of land and wealth, and so warriors and weapons?



### The mystery of inequality in capitalism

Besides failing to understand today's relations of power, Graeber fails to understand the origin of inequality in capitalism, and consequently, the necessity of the use of force ('violence and the threat of violence' as Graeber would put it).

One of the most entertaining subplots of *Debt* is Graeber's attempt to turn on its head the bourgeois myth, maintained by Adam Smith, that exchange creates equality and civilised relations; and his dismal failure to find a clue of what's wrong with exchange, and with Smith himself.<sup>18</sup>

In order to argue against Smith, Graeber first plunges into detailed accounts of tribal rituals which involve exchanges of objects and/or women and asserts that exchange is based on violence because it takes place between strangers 'at an inch of each other's throat'.<sup>19</sup> But, probably realising that this is not good enough, later on he gives us a different non-solution: he explains that proving that Smith is wrong does not, really,

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into three 'moral principles' (communism, exchange and hierarchy). As Mike Beggs noted, Graeber 'gives a basically ethical vision of history, where great changes are a result of shifting ideas about reality' (op. cit.). This is not very different from many bourgeois political analyses; and, if it leads Graeber to say that we are aristocrats if we act as aristocrats, it is a daft one.

<sup>18</sup> Except that he nicked ideas from a Persian manuscript. Graeber's attempt to attack the classical political economists' 'myth' that money has its origin in exchange, by insisting that in fact money had its origin in debt, is also entangled in amusing contradictions.

<sup>19</sup> The only evidence of this seems to be Brazilian tribal gangs that have substituted gang fights with ritual meetings, where they swap personal items, mimicking the violence of a real fight. Does this really suggest that exchange is violent by nature? As a skilled anthropologist Graeber cannot see the more obvious fact that, through the adoption of a ritual exchange, the gangs' relation has become, in fact, less... violent.

matter after all! You see, he says patronisingly, exchange will always be contaminated by hierarchical relations; if we will never have pure exchange why do we need a theory that explains what's wrong with it?

In order to destroy Smith, and with him the ideological attachment that restrains our imagination from conceiving of a world where people, not money, count, we need to show why the problem is *not* the pollution of commodity exchange by hierarchical relations – *but it is commodity exchange itself*; and Graeber is simply unable to do this. On the contrary, under a thin coat of radical anti-capitalism, *Debt* exposes itself as an unashamed apology for the pure market exchange and its inherent equalitarian character.

Unable to find a problem with exchange, Graeber resorts to a moralistic distinction between historical examples of markets using currency (bad and originated/sustained by militaristic states) and those using credit (state-free and good).<sup>20</sup> Such a distinction does not make sense today, as both currency and credit are integral part of our system – the same system that vulgar classical economy sought to justify, by stressing and blessing the aspects of freedom and equality of ideal exchange.

Graeber must then turn his eyes, romantically and uncritically, towards markets based on *personal* credits in the past, which he calls 'pure' and 'friendly' (sic).<sup>21</sup> Sadly, what Graeber sees as 'ideal' in markets stems precisely from the fact that he is looking at societies where non-market relations overwhelmingly shape the relation of buyers-sellers, lenders-creditors. Yet he is happy to project our present relation of exchange to such a mythical past, forgetting its peculiar relations of domination, and to create his own myth of a pure and ideal market – *which is, precisely, the vulgar classical economists' ideological error*.<sup>22</sup>

The culmination of Graeber's pretentious project to attack Smith ends up in a *cul-de-sac*.

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<sup>20</sup> Mike Bragg describes a 'story... told essentially from a populist liberal or even libertarian perspective: it was the state and the big businesses stepping all over the little guys and their purer exchange relationships' (op. cit.). Plenty of sophisticated theories on the relations of states and markets as co-constitutive social forms exist already, for us to need Graeber's one, which is incapable to see beyond abstractions such as the 'use of currency' and a state guaranteeing/imposing the currency.

<sup>21</sup> As we will see later, he even locates historically such a pure market: in the Islamic caliphate. After Graeber was confronted about this on a Libcom thread, he resorted to say that the whole thing was something he wrote without really believing it, but only to wind up the Christian right!

<sup>22</sup> Even Adam Smith was not so crass. He was in fact critical of an ideal system left to pure market relations, and suggested in *The Wealth of Nations* that in a pure market the producers would inevitably take advantage of consumers and workers.

This is disappointing for a book which, as Marxian magazine Wildcat notices,

'wants to sweep aside all of western political economy (in his view in which Marx features only as a minor irritant) and set something else up in its place'.<sup>23</sup>

If Graeber were serious about sweeping previous theories aside, he should have bothered to study them first: he would then have discovered that in 1867 Marx already explained how, paradoxically, the exchange of commodities creates inequality *precisely by being equal and free*. He indeed showed that what we need to critique is *a new world, unseen in the past*, where our separation from resources and materials combines with our freedom to 'exchange' work for wage and money for products, enslaving us to the capitalists through this same freedom of the market. This was a devastating attack on the bourgeois common sense that market relations can just be considered 'friendly', an attack which Graeber seems unaware of, or unable to grasp.<sup>24</sup>

### The limits of whose struggle?

The main problem with *Debt* then is its basic assumption: that one can understand human relations, to the point of being able to create a meta-history of the world, by looking at the abstract forms of debt and forms of money. We have seen that the use of elastic categories can only lead to an equivalently shapeless theory made of Lycra, unable to explain power and exploitation; a theory that therefore needs to fallback on, and borrow its understandings from, *mainstream common sense*, cheap moralism or radical banalities.

This basically abstract approach has also consequences on Graeber's vision of history: the use of debt and forms of money to explain 5,000 years of history is in fact inherent to a fundamentally conservative vision of our future.

Indeed, if debt and money explain human relations instead of human relations explaining, and changing, the nature of debt and money, no historical, social, political, change will ever change our basic interactions as debtors and creditors, or as money exchangers. So we end up in a theory where nothing will ever change under the sun – history as the endless alternation of two 'ages' of currency and credit money. Excitingly, this 5,000 years of the same is peppered by periodic debt jubilees and/or rebellions against

<sup>23</sup> op. cit.

<sup>24</sup> It would not be fair to criticise Graeber for not having read Marx, but it is fair enough to criticise him for pretending to be a great expert: in his exceedingly erudite bibliography he references Marx's *Capital* in German, as if he had read and understood the original edition, while it is plain that he had not even reflected on *Marx for Beginners*.

debt; yet these jubilees and rebellions are against the eternal, or better, eternalised, debt that has existed during the last 5,000 years, and which will continue to exist.<sup>25</sup>

Graeber is mentally and politically trapped by this claustrophobic, and a bit Nietzschean, theory. In one of his many radical outbursts, he patronisingly exhorts us to go 'beyond' the limits of our revolutionary imagination; yet his own imagination boils down to the practical proposal of the n<sup>th</sup> debt jubilee since Whatshisname Pharaoh I of Pyramidland.

Graeber's enthusiasm for debt revolts is also the result of this limitation. Real revolutions, like the French one, or the Spanish one, differed from farmers' rebellions in ancient times precisely because they have gone beyond debt cancellation and have *consciously* criticised the role of the Church and the aristocracy or, in the case of the Spanish revolution, the capitalist relations of production and alienation. Only if we look beyond the empty forms of debt and forms of money we can have a real movement away from the present. This will turn a rebellion that only demands conservative remedies, into a revolution.<sup>26</sup>

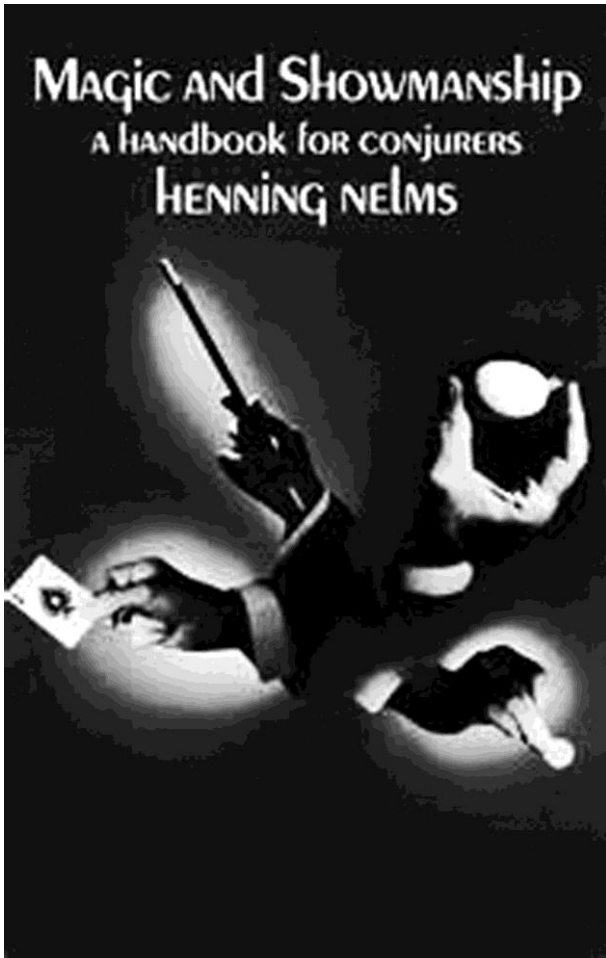
In the next Part we will show that Graeber's socks, and the theory based on them, are not just shapeless, but have gaping holes.



<sup>25</sup> Ingo Stützle too noted the same problem, in the following terms: 'Graeber does not recognise what money and credit mean in pre-capitalist societies, what distinguishes them from each other... Historically speaking, a social obligation is not the same thing as credit, and even credit is not the same thing as credit.'

<sup>26</sup> Again, Ingo Stützle writes: 'Debt cancellation is indeed a correct demand, but only when the social relations that constantly bring about indebtedness are abolished as well. It seems difficult to reach an agreement with Graeber on exactly what these social relations are.' Graeber tweeted in reply 'honestly, I'm very sad. I really wanted to engage with Marxist thought and threw out ideas to do so. Reviewers ignore them and just repeat orthodoxy'. We have shown that it is not a question of orthodoxy – the question is that Graeber's 'ideas', which in fact reflect and reinforce lots of liberal 'common sense' and liberal ideology, expose themselves as inherently conservative, under a thin coating of radicalism.

## Part 2. THE CONJURER.



### The threads

*Debt: the first 5,000 years* is indeed a monumental work. Since the beginning, it presents great complexity – it splits into a number of intriguing threads, which suggest the promise to coalesce into one theory. We managed to disentangle a few:

- To present a history of social relations on the basis of a history of debt, with the aim of proving that the present ‘credit system’ is not new, but it existed 5,000 years ago. What credits? Anything goes: debts of subjects to their kings, individual’s debts to ‘neighbours’(sic), international debts between states, etc.
- To show that the history of money in the last 5,000 years is characterised by the alternation of phases of two forms of money: credit money, which Graeber calls ‘virtual money’, and ‘currency’, which he also call ‘coinage’ and ‘bullion’.
- To show that today we live in a phase of ‘virtual money’, and that this is just the return of one of those two historical phases.

- To argue that ‘an age of ‘virtual money should mean a movement away from war, empire-building, slavery, and debt peonage... and towards the creation of some sort of overarching institutions... to protect debtors’ and to explain why the present ‘phase’ contradicts this sort of historical law.
- To show that commercial money (especially, it seems, in the form of currency) is based on ‘war and violence and crime’ (sic). He promises to dispute Adam Smith’s assumption that exchange is the basis of civilisation, and prove, instead, that exchange contains elements of violence.
- To prove that when commercial money substitutes what he calls ‘social money’ communities break down and debt replaces moral obligations based on direct relations. As a sub thread of this thread, he wants to show that slavery changes nature with commercial money and becomes morally unacceptable.

### A theory of money or Chase the Lady?

However, to our disappointment, all these threads never coalesce into the promised grand theory. They randomly surface, dive, glimpse and dive again, escaping any attempt to follow them to any logical conclusion. Within the threads, key concepts are never clearly defined and often merge in to each other, without warning.

For example, the ‘cool’ expression ‘virtual money’ is used to broadly cover extremely different forms of credit and/or money based on credit. We are told about forms of personal credit ‘between neighbours’, forms of ‘social’ money used to consolidate social relations, forms of impersonal credit that can be circulated among strangers, forms of payments in barley from pyramid rulers which were accounted by pieces of silver, the use of coins (or shells) whose value was guaranteed by a state, and about the US dollar, detached from gold and created ‘out of nothing’... and still we do not know what ‘virtual money’ actually is.

In fact we don’t even know what money is. Graeber does not give us a theory of money – but glimpses of various theories. He mentions the classical economists’ theory. He mentions, a bit more in detail, some state theories of money, which say that currencies are created by states through a taxation system. He mentions some other theories that say that currencies were originally created by belligerent states in order to sustain their armies; and turns them into a moralistic and pacifistic argument.

All these interesting theories are deliberately left unconnected. On the one hand, Graeber seems very enthusiastic about the state theory of money, and seems very keen in convincing us



that 'a coin is effectively an IOU', that 'there is no fundamental difference between a silver dollar... a banknote... or a digital blip' and that even 'a piece of gold is really just an IOU'. 'This must be true, he adds, because even when gold and silver coins were in use they almost never circulated at their bullion value'. Yet, he also embraces, with the same enthusiasm, theories connecting coinage with imperialistic wars, and ends up proclaiming the existence of ages which differ because of the crucial difference between 'virtual money' and currencies.

But if coins are never circulated 'at bullion value', and form of credits can circulate like currency, what money is 'virtual', and what is currency? If there is a distinction between currency and credit, there must be a distinction between the 'IOUs'.

Graeber never discusses the issue. At some points, he seems to suggest a distinction between forms of credit money, which were based on personal relations of trust, and money guaranteed by a state, which can instead mediate exchanges with strangers, 'thieves' and soldiers – he seems to indicate that the first form of money characterises a 'virtual money' age.

At some other points, Graeber seems very keen to stick to a cruder distinction: 'virtual money' = 'any credit', either personal or impersonal; non virtual money = coins, or chunks of gold – just like that. He is indeed adamant that our 'plastic' credit money is 'virtual money' and that our age is the return of an age of virtual money. Yet today's credits are so impersonal that they can be sliced, repackaged and sold by investment banks, without anyone having any idea of who's the debtor – so the distinction of personal and impersonal forms of credit is not really what seem to define the particular 'IOU' that he calls 'virtual money'.<sup>27</sup>

Also, Graeber puts lots of stress on to the fact that in 1971 the dollar was detached from gold, and associates this fact to a new 'virtual age' – thus giving to gold a special status among other 'IOUs'.<sup>28</sup>

By the end of the book, Graeber has not made up his mind, but has said everything and the opposite of it. But the truth is that he cannot pin

<sup>27</sup> Perhaps however, credit money cannot be circulated by... soldiers and thieves?

<sup>28</sup> It is often stated that money and forms of debts are 'essentially' IOUs. Yet this reduction of money and debts to IOUs is merely a pedagogical device that is used to explain the complexities of money and finance to the uninitiated. IOUs are merely the simplest form of debt. They arise between two *private* individuals, I and U. In contrast money and more complex debts are transferrable and therefore *social*. They are in fact 'I owe the bearer of the note (whoever they may be)'. This distinction between a private one to one relationship of debt and a social relation of debt is crucial to understanding the history of money and debt.

down the concept of money, or 'virtual' money, or value.<sup>29</sup> And, paradoxically, he cannot because money is *the starting point* of his construction: he starts with money in order to understand the society that uses it.

There is a fine line between considering forms of money or credit as *expressing* our social relations, and *producing* them. Graeber has fallen into the trap of this fetishism: he sees money and credit as shaping our social relations. He teaches us, for example, that the currency imposed by nasty states turns 'morality into a matter of impersonal arithmetic', that capitalism is simply credit money gone wild, seeking *interest* and expanding for its own sake, and that the detachment of the dollar from gold will bring about great changes in our life and history...

What Graeber says appears, at first sight, reasonable and true. In a world where value and money do dictate people's lives, where the interest of 'economy' is seen as more concrete than our neighbour's starvation, it is not a surprise that people may uncritically think that money can *cause* the way we relate. Graeber's book is an ideological product of our times.

This abstract beginning causes Graeber's conceptual void. If money is the starting point for explaining our relations, then what is money in the first instance? Well, it cannot be anything at all then:

'All I have said so far merely serves to underline a reality that has come up constantly over the course of this book: that money has no essence. *It's not 'really' anything*; therefore its nature has always been, and presumably always will be, a matter of political contention'.<sup>30</sup>

It is precisely because Graeber cannot understand the essence of value and money that he cannot explain them. This is why he cannot handle the subtle differences between a piece of gold, a cheque or a coin, and avoids the problem by calling them all 'IOUs', and, later, just 'nothing'.<sup>31</sup> This is why he can only mention lots

<sup>29</sup> The other truth is Graeber's ignorance. We encourage our readers to read Beggs's interesting article, which shows that Graeber seems unaware of Keynes's writings, of Smith's treatment of the relationship between credit money and gold, of important issues regarding the state theory of money, of international macroeconomics – in practice, he has treated economics and monetary theory in the same way he has treated Marx's *Capital* or, as we will see soon, the history of ancient Greece.

<sup>30</sup> Saying that money is a 'matter of political contention' sounds so radical, but it does not say anything and does not change the fact that money is undeniably something, *socially*.

<sup>31</sup> We are fighting for the abolition of value and money, but we cannot appreciate Graeber's apparently radical statement that money is 'a matter of political contention'. Without understanding why, for example, gold universally appears as

of theories of money but cannot resolve their contradictions and create a consistent theory.

As Graeber starts from money instead of people, he ends up failing to understand *both*. This non-concept is utterly unable to explain anything else. As it's not clear what 'virtual money' is, for example, Graeber cannot even convince us about what sort of 'virtual money age' we live in: is it an age of personal direct relation? Not really. Is it an age where, simply, the dollar is detached from gold? Or what?

But it is precisely the laxity of concepts and ideas that makes the exciting magic in *Debt*: it allows Graeber to jump from thread to thread, from contradiction to contradiction, leaving us in continual expectation of something deep. It is an entertaining Chase the Lady: the reader forgets what Graeber wanted to prove just a paragraph before, and stares in admiration at the wealth of theories, ideas, little stories and myths, which are flicked by Graeber the conjurer under their eyes. The result is a new Tommy Cooper, whose wrong and clumsy tricks are so surprising and entertaining so to create a media star.



### Chase the period

It is precisely this fetishism, Graeber's fetishism of money, that makes his book so fascinating. Besides giving innumerable dimensions to the key concepts, it also adds a sort of magic. The book gives us a Law of History, intriguingly based on forms of money: an age of 'virtual money' is a peaceful age, not dominated by overwhelming states, and with institutions protecting people from debt peonage/slavery; and an 'age' of currency is a belligerent age, dominated by a state that imposes its coinage to sustain its army, and where people are allowed to become debt slaves. Graeber divides the history of the world in to 'ages' and claims that all civilisations in the world fitted in with the right 'age' (for example the 'Middle Ages', from 600 AD to 1450 AD, is a 'virtual money' age for all). It's amazing, what money and credit can tell us about these ages, and their reoccurrence!

Yet, if we put aside Graeber's fetishism, and look at people instead of money, this 'theory' would lose its magic, and would turn out to be

quite banal. In a society dominated by direct social relations we can have an economy based on forms of personal credit and trust – a banality. Exchange among strangers can only be mediated by currencies based on precious metal (or otherwise guaranteed by a state) – another banality. In the first case the existence of direct relations can potentially prevent extremes of poverty and debt slavery and, in the second case, creditors would morally afford to be merciless – again, quite banal.

However, if we really start to seriously look at the real people and how they interact, the banalities above become very complicated – we would discover how debt and money change nature in different social contexts and epochs and why today money and credit are strikingly different from the past. This complexity would also, we are afraid, undermine any attempt to periodise history in any simple way, and would undermine Graeber's grand narrative.

It is not difficult to see, in fact, that Graeber's periodisation is problematic, and that, every single time it is applied to any real historical case, it never *really* fits. Either there are gold and coins but not imperial wars, or there are wars but not coinage, either there is slavery but not any form of money at all, or there is a belligerent state which nevertheless forbids debt slavery... In a nutshell, humans are too complicated for Graeber's 'theory'! But Graeber does not seem too worried. Rather, as soon as he stumbles into facts which contradict his theory, he just cleverly highlights the bits that fit in, hides the bits that don't fit in, and distracts us from considering the whole.

An example of this method, the Middle Ages. The period between 600 AD and 1450 AD was, according to Graeber, dominated by 'virtual' money, and so, peaceful. Was it? Certainly not the Islamic caliphates, whose empire's unity was based on military and aggressive expansion around the Mediterranean and inland. The caliphs *did* pay their armies in a state-backed *currency* (dinars); they relied on a developed market which circulated this currency, and on the imposition of taxes payable in this currency. They had slaves, which constituted their armies; they also exploited slaves in Middle Eastern mines – this exploitation helped to finance the development of buildings, arts and science during the Abbasids' 'golden age'. Last but not least, the caliphate managed to focus military aggression against the 'infidels', stopping bloody inter tribal wars and guaranteeing peaceful and safe commercial routes within its empire.

All this is a problem for Graeber. Instead of admitting the inadequacy of his theory, Graeber tries to patch it up: although the state was militaristic, he says, the civil society remarkably had a 'virtual money age' character because...

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something with value (so without understanding the essence of value and money) Graeber's proclamation is only an empty slogan.

...because, while the 'kings' waged 'their' wars inland, peaceful exchange could be carried out on the sea...

... because, the 'kings' paid their armies in coins but civil society used cheques, or even 'shakes of hands'<sup>32</sup>...

...because their slaves were *not* debt slaves but were captured in war and so were morally accepted...<sup>33</sup>

...and because law and order in the peaceful Bazaars had nothing to do with the state but was administered by Islamic priests...<sup>34</sup>

Graeber cannot see how in a mercantile economy, which made money expand, credit and currency coexisted – they could not exist without each other. He cannot see how trade needed internal peace and how this peace was based on a continuous war of expansion. He cannot see how the 'peaceful' market relations in the Bazaar necessitated the threat of violence to maintain a class society in equilibrium.<sup>35</sup> He cannot see how personal and impersonal relations can coexist too – relations of trust among members of the elite, who can 'shake hands', and lack of trust towards the poor, whose hands were chopped instead of shaken.<sup>36</sup>

By neglecting all the problematic issues above, Graeber sees the market relations under the caliphate as ideal and 'friendly', with a wide-eyed attitude that is rare in an anarchist.<sup>37</sup>



### The massacre of ancient Greece

Another example of Graeber's method is its treatment of ancient Greece.

To 'prove' that exchange and coinage are intimately connected to 'war, violence and crime' (sic), Graeber goes on at great lengths about coinage in Ancient Greece and the violence of the Greek empire. It is true indeed that the Athenian empire established itself, and imposed its currency, in large areas of the Mediterranean. And it is true that the taxes, paid in this currency, served to sustain the Athenian naval force, which imposed a *Pax Athena* in the Mediterranean and kept the commercial routes free from pirates. All true. However, a serious and honest theory about the relation of currency and war should have discussed why Athens's belligerent rival Sparta had a social structure based on war and military discipline and still it was a command economy, not an economy based on exchange.

This is not a minor issue, but one that reveals a lot about exchange and its connection to violence. Graeber wants to prove that commercial exchange is directly related to violence but he fails. He fails because he cannot see, and enjoy, the amazing paradoxes of exchange. Exchange does need to establish peaceful relations, by displacing violence out of sight. This is exemplified, precisely, by the difference between Sparta and Athens. Both Sparta and Athens's economy is based on slavery. While Sparta's command economy needs to involve its citizens in continual war in order to get slaves, the Athenian ruling class can debate about philosophy all day, because they can buy slaves on the market.

Graeber cannot see how exchange is connected to *both* peace and violence in a complex way. He cannot see how, using the threat of violence, the Athenian empire established peaceful commercial routes which were needed for a stable economy and the establishment of one currency – like... the caliphates for example.

<sup>32</sup> This can be true only if the caliphate issued chocolate coins, as their soldiers must have eaten the coins.

<sup>33</sup> By Mohammed(sic).

<sup>34</sup> ...who were part of the theocratic state.

<sup>35</sup> It is funny to notice that half a book earlier Graeber did his best to attack Adam Smith and insist that exchange contains elements of violence; and to insist that exchange individualises and antagonises people. But now he proclaims that when there is no state control of prices and state police, we have an ideal market, perfectly civilised and pacific. In fact Graeber was right. Exchange *is* rooted in a fragmented relation among individuals and *does* involve violence – and Islam is the example which confirms the Graeber of page 32 and contradicts the Graeber of page 282... In a society divided into rich and poor, a combination of violence and ideology is necessary to ensure that the poor keep their hands off the rich's merchandise. It is true, there was no state police, but that's simply because the sacred respect for private property was introjected in the civil society's religion, and because the Islamic priests were in charge of applying *Sharia* law to any hands caught out of their respectful place.

<sup>36</sup> Credits among the elite in the City of London at the beginning of the century were based on trust. Does this testify to an 'age of virtual money' then?

<sup>37</sup> Such a disingenuous enthusiasm seems to harmonise with a disingenuous appreciation of current political Islamism. This will not really convince anyone in the UK who got involved in the anti-war movement and had enough of the (far from disingenuous) pro-Islamist communalism of the Socialist Workers Party and Respect (see 'Croissants and roses - New Labour, communalism, and the rise of muslim Britain', *Aufheben* #17. <http://libcom.org/library/croissant-roses-new-labour-muslim-britain>)

As we have already noted earlier, Graeber cannot digest complications. His theory is a theory in black and white; or, better, it's like one of those John Ford films where the baddies wear black hats and the goodies wear white hats. The whole thing is so difficult for him that he just prefers to simply call the Athenian regime 'Greece', and dismiss the problem of Sparta in a footnote.

This is only an example of the massacre that Graeber's basic 'theorisation' inflicts on facts, and to the important things that facts can reveal. If he's done this to ancient Greece, what has he done to medieval India? Or ancient China?

Maybe we are a bit too picky. Most readers are too impressed by his erudition to be picky like us and ask questions.



### Graeber's International Relations

However, some questions inevitably came – Graeber could not avoid, for example, an avalanche of criticism of the way he treated the current relations between China and the US – as more people have better knowledge of these matters than of ancient Greece.<sup>38</sup>

In Part 1 we saw that Graeber's simplistic and moralistic understanding of the debtor-creditor relation is that of victim-villain; and that, if such 'common sense' is applied to current international relations it is a problem, as the United States, obviously villains, are the biggest international debtors.

Feeling that his understanding of the world based on debt relations is under substantial strain at this point,<sup>39</sup> Graeber has to 'prove' that in this particular case the relation of debt-credit, victim-villain, is somehow inverted – and suggests

<sup>38</sup> See for example Henry Farrell, 'The world economy is not a tribute system'.

<http://crookedtimber.org/2012/02/22/the-world-economy-is-not-a-tribute-system> and 'No, China is not paying tribute to the US, Henry Farrell vs David Graeber, Part CCXXVII', (op. cit.).

<sup>39</sup> Despite the fact of being made of Lycra.

that the states who lend money to the US do so 'at gun point', because they are military 'protectorates' of the US.

Yet, this does not seem to be right either, as China, an undeniably big creditor, is nowhere near to be described as a 'protectorate' of the US. To get out of a deepening hole, Graeber returns to it 300 pages later and stuns us with his knowledge of ancient China. Ancient history is safe: the political readers may know all about the present international relations, but nothing about the Han dynasty! So he *can* say to us:

'Since the Han dynasty [the Chinese empire] adopted a tribute system whereby, in exchange for recognition of the Chinese emperor as world-sovereign, they have been willing to shower their client states with gifts far greater than they receive in return... silk and porcelain...'

... and this is why China is now compelled to lend money to the US!

We know nothing about the Han dynasty. However, we noticed that, throughout his book Graeber makes strenuous efforts to *prove* that the kind of symbolic gifts like those of the Han dynasty could not, and should not, be reduced to mundane commercial money. He explicitly says that gifts of commercial money would actually cause offence. Let alone money lent, which has also the offensive clause of having to be repaid in mundane money, and with an interest!

### The Graeber Law: the US dollar as 'virtual money' and the dawn of a new era

Graeber gets into another muddle in analysing our current 'virtual money' times, which, according to his periodisation, started with the collapse of the Bretton Woods agreement in 1971.

Graeber claims that this collapse was rooted in war: in order to rescue the US finances from the strain of the Vietnam war, the US government detached the dollar from gold and floated it on the exchange market. This increased the price of gold, which the US stored in abundance, while decreasing the price of dollars, stored by other, poorer, countries.

The fact that the dollar was 'floated', Graeber adds, has allowed for the creation of money 'out of nothing': thus these are new times of 'virtual money', Graeber concludes.<sup>40</sup>

However, there is a problem. Graeber has struggled for 300 pages to reach his magic Law of History: that describes how an age of 'virtual money' should be:

'If history holds true, an age of virtual money should mean a movement away from war, empire-building, slavery, and debt

<sup>40</sup> For example, on p. 367

peonage... and towards the creation of some sort of overarching institutions... to protect debtors’.

But this is not true today. Graeber himself theorises that ‘the new global currency is rooted in military power’, as the US imposes that the dollar is value on other countries ‘at gun point’... Also, undeniably, the US is still waging wars and the IMF is still imposing merciless repayments of debts on poor countries.

This contradiction seems to threaten Graeber’s Law of History and his grand theory! But Graeber does not flinch: wait and see, he says, the US and the IMF will be punished by contradicting Graeber’s Law: the new era has only lasted 50 years and the US and the IMF are bound to collapse – evidence for this, the default of Argentina and the anti-globalisation protests which he said, obviously exaggerating a little bit, ‘managed to almost completely destroy the IMF’.

We are just puzzled by the way Graeber has derived his Law of History and how he got to the point of predicting our future – magic. Hundreds of pages before, he looked at empires of the pre-capitalist past, which managed to establish one currency in the areas they controlled. When the empires collapsed, the ‘law and order’ imposed by the imperial army collapsed, trade disintegrated on a large scale and nobody could circulate or guarantee one currency. As a consequence, exchange got localised and based on credit agreements among local people (which Graeber called ‘virtual money’). Also, for obvious reasons, imperial wars disappeared.<sup>41</sup> This tells us something very banal:

**A banal historical observation:**

*When there was a collapse of some empire in the pre-capitalist past, the empire’s coinage gave way to ‘virtual money’*

Yet, by swapping things under our untrained eyes for 300 pages, Graeber the conjurer has by Chapter 12 managed to transform this into an intriguing Graeber’s Law of History:

**Graeber’s Law of History:**

*When there is an age of virtual money this means a movement away from empire building.*

<sup>41</sup> Whether the end of imperial wars marked the beginning of never-ending wars among city states, tribes or plunders from armed raiders within previous pacified areas, it does not matter – this kind of ‘violence’ was not exerted by a nasty imperialist state, and disappears through a hole in Graeber’s socks.

This law seems to apply when there is any ‘virtual money’ of any kind, whatever social relations or balance of powers it actually reflects!

In fact, our credit system does not reflect the disintegration of any empire at all, and it is not a form of credit among villagers at all: it more than ever reflects the existence of impersonal (even international) transactions, which can only be supported by states and within an international system of power. But Graeber is a Believer. However his law originated, it tells us: that today we live in an age of ‘Virtual Money’ (whatever this is) and as a consequence of this the US empire and the IMF cannot live long (whatever the reason).



We were tempted to write a long treatise on why China lends money to the US, how it is that today’s wars and debt poverty can coherently coexist with the present form of money, why the dollar has been the dominant currency without the need of being imposed ‘at gun point’, or to explain why Graeber has confused the unorthodox practice of quantitative easing (which does create money out of nothing) with practices which normally underlie the emission of US dollars. But we will not do any work, because a reply to the mess above would only serve to endorse it with intellectual credit.

Instead, it can be a healthy exercise to perform the ultimate exorcism: let’s trespass on Graeber’s own territory and his anthropology.

**On women and cows**

Let’s go back, for example, to medieval Ireland, where debts of ‘honour’ were accounted in ‘cumal’ (womenslave girls) and ‘cows’, and let’s first enjoy Graeber’s analysis. He starts by wondering: ‘Why women? There were plenty of male slaves in early Ireland, yet no one seems ever to have used them as money’. Why women, then? Graeber inform us, minutely, about finicky legal rules which measured the honour price of each male, female, king or serf and comes out with the answer:

'All this... makes it possible to understand... why [women] were kept as unit for reckoning debts of honour... if honour is ultimately founded on one's ability to extract the honour of others, it makes perfect sense. The value of a slave is that of the honour that has been extracted from them'

Well, in fact, no... this does not explain why *women*, and he knows it! So he adds:

'Honour is a zero-sum game. A man's ability to protect *the women* of his family [from becoming slaves] is an essential part of that honour.'

All this is cleverly written but still does not really explain why a man cannot measure value in terms of his own honour, which he needs to protect too. Also, one may have questions concerning the honour of cows... But who dares to object? This is a tantalising theory, precisely because it is obscure, and makes us feel a bit stupid and in awe.



Still we will dare to propose another, less tantalising, theory. Let us imagine that, a long time ago, disputes arising from breaching issues of honour caused wars among Irish tribes, and that captives and cattle were the obvious loot in wars and raids. Let us imagine that, in order to avoid actual and bloody wars, the disputes were settled, by male tribal chiefs, in cows and/or women – who were probably considered more disposable than men.

Obviously, harming the honour of a king would have caused a bigger war, and bigger potential loot than the honour of a subject; and this can perfectly explain why honour was measured in amounts of women and cows. This can also explain that, many years later, even after slavery ceased, debts and transactions were still accounted in 'women' and 'cows'.

We don't promise that our anthropological theory is true, but having a laugh in making it up, and seeing that it makes more sense than Graeber's erudite waffle, has been an interesting experience, with some undeniable radical value in its own right.

### As a conclusion

When, long time ago, we commented on Leopoldina Fortunati's mathematics, we said that we dislike 'political' writers who try to create awe in their readers, by using tremendous culture, intimidating intellectual constructions (or even big formulas), especially when this dazzling stuff turns out to be banal, or even meaningless.

The political theory we love is one which aims at sharing our common experience of struggle, and this practical theory cannot project awe. Intellectual distance is instead necessary between the radical academic world and people who are engaged in struggle with their exploiters – it is necessary when, at the end of the day, the academic has only his academic things to say, things that are miles away from the experience of the 'poor' or whoever he speaks about.<sup>42</sup>

The fact of having been with 'the poor' in Zuccotti Park and the fact of having dressed his book with radical slogans does not change our opinion about Graeber and his book. At the end of the day, *Debt: the first 5,000 years* is only a pretentious book that is not going to help us in the current struggle and does not teach us anything we need to know. It is our practical knowledge, created by us and by many people before us out of struggle, that Third World debts should not be repaid – and we see no 'moral dilemma' in this.

It is our practical knowledge that our society is inherently exploitative (and that exchange of commodities needs forms of coercion). It is our practical knowledge that makes us say which debtor or creditor is 'the villain'. And we don't need Graeber's contradictory arguments to get out of any moral confusion, simply because we don't share it with Graeber.



<sup>42</sup> To illustrate this point we have our little anthropological anecdote delivered to us by members of Boycott Workfare. BW is a grassroots campaign group composed of people on benefits, whose ideas reflect the claimants' experience of state harassment and of a life on extremely low incomes. In the wave of recent successes which attracted media attention, BW members were invited last year to talk to university students. Speaking about this meeting with us, they described, shaking their heads, an American lecturer who was visibly treated with veneration by the students: 'during the meeting, this lecturer proposed a direct action to the audience: to whitewash the DWP's building. I firstly thought he was joking, but then I realised that it was too insistent for a joke and just stared, speechless, at this silly man who mimicked the use of a paint roller...'. Irreverence is an integral part of a healthy class perspective.