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The Meaning of Money

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I want to talk about money as a moral technology. One of the things that really fascinated me when I was working on my book on debt was the tendency of the logic of the market to colonise and invade other forms of morality, even the language of religion. Almost all the great world religions are incredibly rich in the language of finance – think about words like redemption – and this happens not just in Christianity but pretty much everywhere.

Morality tended to be treated as a matter of paying one's debts. This was one reason that I actually entered into this particular intellectual journey; I was fascinated with the moral power of the idea of debt, and its tendency to trump any other form of morality, so that people can justify things which they would never dream of trying to justify in other circumstances: the starvation and death of babies, for example, on the grounds that 'the country took out a loan'.

The invasion of the language of morality by the language of debt and money seems to be part and parcel of another phenomenon, which is the reduction of all social relations to forms of exchange. You find that almost all the great world religions begin with the premise that morality is simply a matter of pay-

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ing one's debts. In Brahmin theology for example, all forms of morality are basically forms of debt. It starts with the debt to the gods, which is a debt of life, on which one pays the interest in the form of sacrifice, and will eventually pay the principal when one dies.

If one looks closely, though, the other examples that Brahmins use completely subvert the idea that these moral obligations really are debts. They say you have a debt to your parents that you will pay by having children; you also have a debt to a sage that you will pay by learning wisdom and becoming a sage. You also have a debt to humanity as a whole for making your life possible, which you will pay by being generous to strangers. None of these take the form of repaying debt in the classical sense. Ultimately, what they all seem to imply is that one erases the debt by realising that you owe all this to a totality which includes you, so the idea of debt becomes meaningless. Your debt to the gods is in fact a debt to the universe itself. You cannot really pay a debt to the universe, because that would imply that you and the universe are equal partners doing a business deal; that is, you and everything else that ever existed, including yourself, are making the deal. It is the absurdity of that which annihilates the idea of debt. In the Judaeo-Christian tradition there is a similar notion of primordial debt, but in fact it turns out that what is sacred is not paying one's debts but the cancellation of debts: redemption. It is almost as if everyone has to start out by saying, 'morality is really just paying one's debts', and then they move away from it.

The question is: Why do they have to do that? Why is it that popular conceptions of morality are already framed so deeply in debt that they always seem to have to start with those premises, even though they then inevitably move away? The best answer I could come up with is that it has to do with relations of power. Essentially, the one thing that history reveals over and over again is that a morality of debt is the most powerful way to make relations of arbitrary, violent power not

from being a backward economy to launching satellites into outer space on four-hour days is pretty impressive. But they could not acknowledge what they were actually giving people. Everybody was pretending to work for eight hours; in fact, they were working four.

It seems that our own societies are beginning to resemble that more and more, as so much work is hollowed from any sort of meaning or point, yet nonetheless people end up feeling obliged, for moral and ideological reasons, to do it more and more. I think a lot of politics can be explained by this. I have always argued that a lot of right-wing populism is based on resentment of people who get to have meaningful jobs. The cultural elite are seen as the people who get to monopolise the jobs where you can actually get paid to do something which is not just for the money. You know, how dare those bastards take all the altruistic jobs?

Similarly, I find fascinating the resentment of autoworkers, or teachers. I think it can only be explained in those sorts of moral terms, that there seems to be a sense that, 'You guys actually get to do something real. You get to teach kids and make cars, you want benefits too?' At any rate, I think that we need to think again about how the kind of morality that money enables, both in terms of debt and work, becomes a driving political force in itself, and that many of the issues that we think of as economic issues are also actually political issues in disguise.

You know, there are so many people who go into work and they sit there for eight hours but they do about three or four hours' worth of work and the rest of the time they are on Facebook or tweeting or downloading pornography or something. I talk to people and so many of them say that, 'Well, actually I do about two or three hours,' so in fact we are working four-hour days, but owing to this profound morality of labour we are not willing to actually acknowledge it.

We might want to think about the parallel with the Soviet Union. The Soviet system, I really believe, was based on a fundamental contradiction, in that they inherited an essentially anarchist constituency with a Marxist ideology. During the 1920s and 1930s, it was often noted that the difference between anarcho-syndicalist unions and socialist unions was that the anarchist unions were always asking for fewer hours, and the socialists were always asking for more money. Essentially, the socialists were those who bought into the productivist-consumerist system; anarchists just wanted out: 'We want to have nothing to do with this. We want to work as little as possible.' There was a famous debate between Marx and Bakunin over where the revolution would come: would it be the advanced industrial proletariat in Germany? Bakunin said, 'No, no, it will be the recently proletarianised peasants and artisans of Russia and Spain,' and, of course, Bakunin was right. So these anarchist constituencies who wanted fewer hours ended up creating revolutions that ended up with a Marxist-productivist elite claiming to want to create a consumer society but utterly incapable of doing so. However, one social benefit that they gave them was that you could not get fired from your job, so in fact people were working four-hour days.

The great contradiction, to me, of these systems was they could not acknowledge or take responsibility for the one social benefit they actually did provide to the public, namely job security on four hours work a day. If you think about it, going

only seem moral but to cast the victim in the role of the sinner, the person to blame. Mafiosi understand that, of course; so do heads of conquering armies, who generally announce that everyone owes them their lives because they have the power to kill them. It puts you in the position where you can be the benevolent person and the victims are running round, scrambling, feeling miserable and inadequate. It tends to be quite effective for a while. The problem is that it periodically explodes. As Moses Finley pointed out, there seems to be one revolutionary programme in all of antiquity, which is cancel the debts and redistribute the land, in that order.

Debt seems to inspire people to rebel more than any other form of inequality, perhaps because it is premised on an initial notion of equality. If you are saying that you are lower caste you are saying that you are fundamentally inferior, which presumably people do not like, but accept as part of the natural order of things. But if you recast this in a language of debt, you are essentially saying, 'we should have been equals, but you messed up somehow'. It seems to rankle a lot more, and the common response – which you encounter over and over again in history – is to say, 'well, wait a minute: who owes what to whom here? We make your food'.

However it is framed, what tends to happen is the only way to resist this language of debt as morality is to cast your response in that same language, in a way that actually expands the zone to which that debt applies. It causes you to reformulate moral relations in the same language. You see the same thing happening nowadays in debates over third-world debt. Who owes what to whom? That is exactly what people end up saying: 'you owe us for colonialism'; before you know it, this applies to all sorts of historical wrongs, zones that you never thought to commoditise, like ecological damage. The rebellion against debt becomes incorporated in the language of debt. With that language of debt, of course, comes the logic of

exchange: that everything, essentially, can be framed in market terms.

This relation of money, debt and morality changes regularly over time, depending on the dominant conception of money, which itself depends on the dominant money form that people use in a given historical period. It seems that there are quite regular shifts across Eurasia, at least, between what I would call periods of virtual credit money and periods of commodity money, where most people are actually using some form of object, usually gold and silver, in everyday transactions, and people conceive money to be a thing. I was fascinated to discover that there is no consensus at all among economists about what money is. You would think if there was anything that economists could agree on, that would be it, but, in fact, money is a bit of a stumper for economists. The dominant schools throw their weight behind the idea of money as a medium of exchange; there are equally compelling arguments that money should be thought of as a unit of account, and therefore the tokens of money are actually tokens of debt. On this view, money is essentially circulating debt. Economists like Keith Hart argue that if you look at the two sides of a coin, you regularly see the same thing. There is one side which is a symbol of state authority, of trust and agreement, money as a social relation, which is credit; on the other side is the actual number of a unit of money, which implies that money is a commodity or a thing.

That tension is always there in the definition of money. What I would add is that, over time, the definition of money shifts back and forth. But, interestingly, virtual credit money comes first. As far as we know, if people went to the marketplace in Sumer, they certainly did not bring anything resembling cash. They certainly did not have coins; they did not even manufacture scales. They probably had the technology to do so, but they did not manufacture scales accurate enough to weigh out the tiny bits of silver that would be required to buy a pig, a sheep, a hammer, a shirt. It seems that

frightened to open, despite the fact that at this point debt cancellation is almost inevitable.

The reason I say 'almost' is because there is such resistance. It is remarkable. It is so clearly in the interests of the ruling class to start cancelling debts in a big way. The Federal Reserve has been trying really hard to get mortgage debts cancelled and they have made no headway for the last year. What is holding it back? It has to be some attachment to this fundamental moral idea, because there are not that many moral underpinnings to the system left.

One of them is the moral value of work. Keynes predicted that by now we could easily have a four-hour day, if we were so inclined, and we could remark, 'Well, obviously we are not, but obviously this shows that rather than being happy with the amount of goods we want, it has something to do with desire, it has to do with consumerism.'

I do not think that is true at all. I think that if you look at what most people do during the day, they are not doing much that contributes to the production of consumer products. In fact, an unexplored phenomenon in America today is just how many people are secretly convinced that they do not really do anything during the day: that their jobs are completely meaningless and worthless, and probably should not exist. I meet people like this all the time. I know so many people who were at their wits' end, did not know what to do, went to law school, and are now corporate lawyers. I have hardly met a single one of them who would not, at least if drunk, say, 'Actually, this job is completely stupid and should not exist.' You can make money doing this and not being a poet, or whatever they were doing before. It tells you something interesting about what we call the market that there seems to be a very limited demand for poets and talented musicians but an almost infinite demand for corporate lawyers.

I think that we have to think about this in moral terms. Think about all the people who are working four hours a day.

Ages, what you normally see is people creating some means to ensure that those with the power to create credit do not effectively end up enslaving everybody else. It happens over and over again and takes different forms, hence periodic debt cancellations in ancient Mesopotamia, the famous jubilees in ancient Judea, and the various usury laws. You find that they were in combination with things like Buddhists promulgating pawn shops and other alternatives to the local loan sharks. The first prevalent use of pawn shops was actually a religious thing, by Buddhist monks in China and later, I believe, the Dominicans took it up in Europe, presumably independently.

There are all these overarching mechanisms created to protect debtors in periods of virtual credit money. Where are our versions of these mechanisms? Granted, we are only 40 years in. This is not very long by the standards we are talking of – 1,000 or 500-year cycles. But we have done exactly the opposite. What we have ended up doing is creating institutions like the IMF, or Standard & Poor's for that matter: institutions designed to protect creditors against debtors, rather than debtors against creditors. Unsurprisingly, the result for the last 40 years has been an unending series of global debt crises. Consider third-world debt, which led to surprisingly successful forms of resistance, first in East Asia, and then Latin America, from where the IMF has largely been kicked out. These debt crises are continual, they are mounting; it seems to buck the historical trend for an economy based on credit money.

This is why I emphasise the power of money as morality. I believe that there is a contradiction between the long-term interests in the system and those ideological mechanisms that would seem to be legitimating it. The morality of debt and the morality of work seem to be two areas in which the capitalist virtues, the virtues of the economic system, are deeply inculcated into popular consciousness and broadly accepted. To question that opens doors that I think a lot of people are very

everyday transactions were largely based on credit. Certain things did circulate in silver, for certain grains, and so on, but essentially the weight was on a credit economy, which also meant that it made it periodically possible to cancel debts, which is much harder to do in periods of commodity money. The period where money was invented, where cash currency was invented, also corresponds to what Karl Jaspers famously called the 'Axial Age', during which you also see the rise of major world philosophies and major world religions, in exactly the same place where money is first created: in the Eastern Mediterranean, in the Ganges Valley in India and the northern plains of China. It seems that coinage is invented largely as a side-effect of military technology, which is closely tied to taxation systems. Gold and silver are the sort of thing that soldiers who have been engaged in looting are most likely to be carrying around. Itinerant, heavily armed soldiers are possibly the people you would least like to extend credit to, if you are a local merchant. But they do have gold and silver. Eventually, after an initial period where money is created by merchants brokering things with soldiers, the state comes in and discovers that the easiest way to provision troops is simply to systematically give them the little bits of precious metal and then tell everyone in your country to give them back again. Suddenly you hire everyone in your kingdom to provision soldiers.

It worked brilliantly well. The fascinating thing about the Axial Age is you have standing armies; currency tends to follow standing armies. You also have the rise of world religions, which in almost every case systematically negate some of the moral logic of these impersonal cash markets which are enabled by commodity currencies, so that ideas of charity seem to always crop up simultaneously. It is as if you say, 'let us create a space where we have this thing called self-interest', and if we then simply try to get as many material things as possible for ourselves, someone else is going to come and say 'all

right, well, here we will have a space where we think about why material things are not important; it is better to give than to receive'. This happens pretty much regularly in every place.

The astonishing thing is that it all coordinates really closely across Eurasia. In the Middle Ages those empires reach their apogee, and they collapse. With the disappearance of standing armies and chattel slavery, coinage largely disappears, but instead of reverting to barter, people in fact revert to credit systems. These systems of credit are essentially controlled by the moral and religious systems which originally rose in opposition to the world of cash transactions closely identified with militarism and the state which had come before. With that came the bans on usury, which did not exist in the ancient world at all. It seems that in periods where you conceive money to be a social relation, a system of social conventions – Aristotle's definition, again, was not widely adopted in antiquity but was then adopted in the Middle Ages – it becomes possible to do things like they did in the ancient world: debt cancellations in medieval Islam and Christianity, or bans on usury, which is much harder to do in periods where you consider money to be a thing.

Despite the fact that both the Athenian and the Roman constitutions were essentially created in a reaction to debt crises, ancient economies almost never resorted to full-on debt cancellations. Instead, they set up redistribution policies, where they essentially threw money at the problem, so that coinage became a sort of moral technology. For example, in ancient Athens people were actually paid to go to the agora and vote. There are all these mechanisms of redistributing money through political means, so that people did not fall so far into debt they would become slaves to the rich and thus destroy the military base of the state.

Starting in 1450, and even before the Iberian discovery of the Americas, commodity money returns in the form of bullion, and with it comes the rise once again of large empires, of

standing armies, of chattel slavery, which reappears, however, in a profoundly altered form. I would argue that that period is the one that we are coming out of now, but only very slowly and haltingly. The usual cut-off point is 1971, when Nixon took the dollar definitively off the Gold Standard.

It is interesting that the ban on usury that held during the Middle Ages was gradually eroded. I have always felt that one reason why the Church was so adamantly opposed to usury as against other elements of emergent capitalism was because the morality of debt was so powerful that they could recognise a moral rival when they saw one. The fact is that debt is the most effective means to turn people into utilitarian rational actors, as economists like to imagine, where one has little choice but to see the world simply in terms of possible sources of profit and danger. One of the things I was quite fascinated with was to look at the histories of some of the people who behaved in the most bizarrely, irrationally acquisitive means you can imagine, becoming paradigms for the insatiability of human beings: the conquistadores, for example. The conquistadores were all completely in debt. They started out in debt and they never really got out of it. One reason that they were constantly looking for new kingdoms was because, even after the conquest of the Aztec kingdom, Cortez managed to get himself in debt again 15 years later and started conquering again. All the men were entirely in debt and needed to do whatever they needed to do to get gold, and so committed large atrocities to pay it back.

That kind of manipulation of debt as a form of morality in itself was unleashed and became naturalised, when you think of money as a natural thing: as an object, rather than as a social relation. As a moral technology, money allows certain types of morality to emerge which are incredibly powerful. The people in power, who originally discovered the power of the morality of debt so long ago, do not want to give them up. One of the great mysteries is when you have periods of virtual credit money, whether it is in ancient Mesopotamia or in the Middle