

The Anarchist Library  
Anti-Copyright



## Thoughts on David Graeber's 'Debt: the first 5,000 years'

Joseph Kay

Joseph Kay  
Thoughts on David Graeber's 'Debt: the first 5,000 years'  
January 3<sup>rd</sup>, 2012

Retrieved on 3<sup>rd</sup> September 2020 from  
<https://libcom.org/blog/thoughts-david-graeber%E2%80%99s-%E2%80%98debt-first-5000-years%E2%80%99-03012012>

**theanarchistlibrary.org**

January 3<sup>rd</sup>, 2012

relevant' terms, i.e. aimed at making suggestions to the ruling class. I suspect this pressure is even stronger on academics. All that said, the book does not aim at concrete tactical proposals and should not be judged on this basis. 'Debt' is a wide-ranging and provocative read which manages to be both accessibly written and intellectually challenging, and is certain to make all but the most hardened dogmatists re-examine things they thought they already knew.

left in the strange situation of not being able to even imagine any other way that things might be arranged. About the only thing we can imagine is catastrophe.

This is very closely bound up with Graeber’s claim that “there is very good reason to believe that, in a generation or so, capitalism itself will no longer exist”. The triumph of capitalism has rendered it dysfunctional. The expansion of debt is only tenable if it is considered to be finite. As soon as we think capitalism will last forever, it necessarily goes into crisis. And at the same time, we’re running up against ecological limits... It takes an anthropologist to draw attention to the importance of beliefs, norms, customs and so on in understanding what economists claim is the hard science world of ‘the markets’. I can’t say I’m convinced by Graeber’s specific diagnosis of a belief in eternal capitalism causing the global economic crisis. But again, it’s a provocative thesis, and forces us to think about the role of culture and beliefs in determining economic processes, in addition to the more familiar approach of doing the opposite (either approach, alone, would be reductionist).

Finally then, Graeber offers one concrete proposal, in a book which is meant more to change paradigms than set out blueprints: a debt jubilee, i.e. a mass cancellation of debts to allow the system to start up again. This is inspired by the ancient Babylonian practice, which periodically saw debts wiped clean and debt-slaves released. Graeber even points out that the first recorded word for ‘freedom’ means literally ‘return to mother’, referring to the liberation of debt slaves during periodic jubilees. Frankly, it’s quite a disappointing conclusion. For one thing, Graeber proposes debt *cancellation* (a policy to be implemented by those in power) and not a debt *strike* (a tactic to be employed by the powerless). I suspect this comes from academic habit. Even when I was at university, there was a pressure on *students* to frame arguments in ‘policy

## Contents

Communism, exchange and hierarchy . . . . .	5
The distinction between ‘human economies’ and ‘commercial economies’ . . . . .	7
Marx, critique and utopia . . . . .	10

which is pivotal in reconstituting these exchange systems into commercial, commodity markets rather than them being reabsorbed into webs of social relations based on needs, mutual aid and so on. I'm not sure what I make of this, but it's an intriguing reversal of conventional libcom wisdom. Rather than capital being the all-powerful hydra that regenerates from the smallest stumps of market behaviour, rather *all* societies are based on a basic communism which threatens to assert itself whenever state power recedes, re-embedding markets into webs of mutual aid which could render the commodity form obsolete, superseded by direct social relations and bonds of honour and trust.<sup>2</sup>

Second, Graeber provocatively picks up on this to explain the current crisis. He argues that only while we could imagine capitalism as a historic system that had a beginning and must have an end was it possible for the cycle of boom and bust, and particularly for speculative bubbles of credit and debt, to function. Now that capitalist realism rules, the whole economy breaks down because the idea of *endless* expansion of debt makes everything go nuts:

**Graeber wrote:**

In other words, there seems to have been a profound contradiction between the political imperative of establishing capitalism as the only possible way to manage anything, and capitalism's own unacknowledged need to limit its future horizons lest speculation, predictably, go haywire. Once it did, and the whole machine imploded, we were

---

<sup>2</sup> The caveat here is the human society and moral economy wouldn't necessarily be one libertarian communists would find desirable. As I've said, Graeber's at pains to point out human societies are not necessarily humane societies. I guess this is where the importance of prefigurative struggles comes in: establishing the norms which will rule with the supersession of the state-market complex.

exchanges tend not to give rise to the inhuman monster of capital (markets, and even wage labour, after all, have existed far longer than capitalism), but rather tend to be re-absorbed into a moral economy of a human society, a society to which Marx's account doesn't apply (e.g. Graeber's example of Islamic 'free markets' discussed above).

The consequence is significant. Rather than seeing every exchange for a price as the seed of a resurgent capitalism, Graeber sees exchange as tending towards being embedded in social relations and a moral economy unless this is actively prevented from happening by state power. So in this sense, something like a 'free market' anarchism wouldn't resemble a commercial market at all, but something closer to a gift economy, with everyone taking what they need on trust then settling up in periodic 'reckonings', with account taken for inability to pay.

To be clear, Graeber does *not* advance this as his favoured society, and my description is drawn from his discussion of the village economies of Medieval England (which he cautions not to idealise). But nonetheless, the implication is that by ignoring the tendency of human society to reabsorb commercial relations into social ones, to ignore "religious ideas, ethical concepts, customs, habits, traditions, legal opinions" as well as the more familiar "political organisations, institutions of property, forms of production, and so on" (Rudolf Rocker), we overstate the resilience and durability of capitalism. In other words, without an anthropological perspective, we tend to over-state the power of 'the market' and the naturalness of capitalism, even while we think we're critiquing it (a form of capitalist realism, perhaps?). An unsettling thought.

If we accept this line of argument, it would suggest we could be worrying too much about things that look too much like commodity exchange leading to the restoration of capitalism (e.g. the various alternative currencies during Argentina's economic crisis of 2001, or the voucher systems used in parts of revolutionary Catalonia in 1936). Rather, it is state power

I finally finished this book after reading it on and off for months. First, I'll say this is a very *unsettling* book. By this, I mean it makes you think again about things you thought you knew already, and can't be easily assimilated into an existing worldview. For that reason alone, it's worth reading.

What follows isn't really a review, but some thoughts on some of the concepts put forward and ideas raised in the book. Nor am I going to summarise the arc of the book's main arguments.

*This is a great trap of the twentieth century: on one side is the logic of the market, where we like to imagine we all start out as individuals who don't owe each other anything. On the other is the logic of the state, where we all begin with a debt we can never truly pay. We are constantly told that they are opposites, and that between them they contain the only real human possibilities. But it's a false dichotomy. States created markets. Markets require states. Neither could continue without the other, at least, in anything like the forms we would recognize today.*

— David Graeber, *Debt*

## Communism, exchange and hierarchy

The first thing I'd like to pick up on is Graeber's claim that all societies are a configuration of three fundamental organisational/moral principles: communism, exchange and hierarchy. What Graeber calls 'baseline communism', the giving according to abilities and receiving according to needs, is he claims, the "the foundation of all human sociability", the very condition of possibility of society itself. He writes that "The surest way to know that one is in the presence of communistic relations is that not only are no accounts taken, but it would be considered offensive, or simply bizarre, to even consider doing

so.” I like this formulation, and it echoes a line of argument I made in the libcom vs parecon debate. But there’s a sting in the tail. By the same token, Graeber argues that this is rarely the whole story, and there’s a tendency for communism to slide into other forms of society.

These involve exchange and hierarchy. Exchange, for Graeber, implies equality between the parties. But it doesn’t necessarily mean commodity exchange, i.e. the obligation isn’t necessarily *quantified*. So in many stateless, non-commercial societies, you simply admire the thing you want (‘What a lovely pig!’) and the possessor makes a gift of it. You don’t owe a pig in return, but an obligation of roughly equivalent status (Graeber says there are broad categories of object, e.g. everyday objects and sacred objects, which aren’t commensurable with each other). So for example, Marcel Mauss’ work on ‘The Gift’ explores this kind of exchange. Commercial, market exchange, is of course something we’re familiar with. The difference between the two is the difference between ‘cheers mate, I owe you one’ and ‘thank you shopkeeper I owe you £1’. Furthermore, the temporal disjunction in gift exchange creates ‘debts’<sup>1</sup> and therefore social bonds and solidarity, whereas the immediacy of commercial exchange creates no ongoing obligations, and is therefore the form of exchange appropriate for strangers — or enemies. So for example, stateless societies have often been communistic internally, but practised forms of gift exchange in their relations with other groups. Graeber explores this in some detail, which I won’t repeat here.

Finally, hierarchy. Hierarchy is not necessarily the formal hierarchy of organised violence of the state, but may also be informal and based on status. Graeber, following Mauss, argues that gift exchange is often a competitive contest for status, with the party who gives the most attaining the highest status. It

---

<sup>1</sup> The problems caused by quantifying and monetising these debts is one of the main themes of the book.

critiquing the claims made by capitalism’s ideological supporters, not claiming to describe how capitalism actually works. Implicit in Graeber’s argument seems to be the idea that Marx’s *immanent* critique needs to be supplemented by an external critique in order to properly situate and understand actually-existing capitalism and its relationship to other social formations. An anthropological perspective, and some of the conceptual distinctions discussed above, are a way of doing that.

What does this mean for our understanding of capitalism? I contend that plenty of us on libcom, and I’ve certainly been guilty of this, *do* tend to take Marx as describing actually-existing capitalism even when we know otherwise. Now in a sense, I think this is in part because Capital does do this (e.g. Marx’s lengthy quotes from newspapers and parliamentary reports into working conditions are describing real-world capitalism, not the utopia of the political economists). But to the extent we take Marx as criticising actually existing capitalism, we *also implicitly accept the political economists reductive, bourgeois assumptions about human beings and society*, assumptions which Marx only *provisionally* adopts in order to explode political economy from within. Why, for example, would we think ‘the tendency of the rate of profit to fall’ could explain the current crisis, unless we thought Marx’s Capital described actually-existing capitalism? I think there’s several implications to this, though I’ve yet to fully work through them all.

First, in taking Marx’s Capital as a critique of actually-existing capitalism, we could well be overstating the power of capital (and thus understating our own power). For example, the arc of Marx’s Capital begins with commodities and shows how commodification implies class society. There’s a tendency to deduce therefore, that any time anything exchanges for a price, capitalism will be reproduced, rising vampire-like from the dead to once more suck the blood of the living. Graeber sees it very differently. In the absence of state power, market

page 88 of the pdf). I'll pick up on some of the implications of this below.

## Marx, critique and utopia

### David Graeber wrote:

Karl Marx, who knew quite a bit about the human tendency to fall down and worship our own creations, wrote *Das Capital* in an attempt to demonstrate that, even if we do start from the economists' utopian vision, so long as we also allow some people to control productive capital, and, again, leave others with nothing to sell but their brains and bodies, the results will be in many ways barely distinguishable from slavery, and the whole system will eventually destroy itself. What everyone seems to forget is the "as if" nature of his analysis. Marx was well aware that there were far more bootblacks, prostitutes, butlers, soldiers, pedlars, chimneysweeps, flower girls, street musicians, convicts, nannies, and cab drivers in the London of his day than there were factory workers. He was never suggesting that that's what the world was actually like.

The final point I want to pick up on is Graeber's reading of Marx. Graeber is at pains to point out that Marx's *Capital* is not a critique of actually-existing capitalism, but a critique of the capitalist *utopia* imagined by the political economists (Adam Smith, David Ricardo and so on). He even goes as far as to claim capitalism is not in fact based on wage labour. Now, few if any posters on libcom would have a closed, economic reading of Marx. After all, we all know that Marx was writing a critique of political economy and not 'economics': he was

is in this sense that purely communistic societies are always prone to these alternative moral logics, which could transform a communistic society into something else if not kept in check (this is part of the role of ritual in 'primitive' societies, which it turns out, are in fact rather complex). So for example, communistic relations apply to the in-group, but that has never (yet!) been all humanity. Between in-groups, exchange arises, and this carries with it the tendency to hierarchy. There are other permutations, but this is the kind of analysis these concepts give rise to. I'm not entirely sure what to make of this, but I do think it's highly thought-provoking. I also suspect Graeber is playing a double-move given the US context: first establishing that communism is the ever-present basis of society, then playing down the idea of a communist society. In the context of 'communism' being a dirty word, this may well be a tactical move to provoke US readers (and others) into rethinking what communism is, and perhaps warming to it, without having to admit to being 'commies'.

## The distinction between 'human economies' and 'commercial economies'

The second thing I want to pick up on is Graeber's conceptual distinction between 'human economies' and 'commercial economies'.

### Graeber wrote:

Often, these currencies [yams, shovels, pigs, jewellery] were extremely important, so much so that social life itself might be said to revolve around getting and disposing of the stuff. Clearly, though, they mark a totally different conception of what money, or indeed an economy, is actually about. I've decided therefore to refer to them as "social

currencies,” and the economies that employ them as “human economies.” By this I mean not that these societies are necessarily in any way more humane (some are quite humane; others extraordinarily brutal), but only that they are economic systems primarily concerned not with the accumulation of wealth, but with the creation, destruction, and rearranging of human beings.

By contrast, “historically, commercial economies — market economies, as we now like to call them — are a relative newcomer.” I think this distinction is quite an interesting one, and in many ways parallels Marx’s notion of ‘commodity fetishism’, with commercial economies being those where “the relations connecting the labour of one individual with that of the rest appear, not as direct social relations between individuals at work, but as what they really are, material relations between persons and social relations between things.” (Karl Marx). In other words, commercial societies, specifically capitalism, pose a fundamental ontological inversion, where “capital subjectivizes itself through the subordination of human ends and purposes to its own self-expansion. Like a vampire, it is dead labour preying on the living.” This inhuman force then governs and restructures social life (though not without resistance). Communism then, from a libertarian communist perspective, would be something like seizing back control of society from this inhuman force, and instantiating social relations based on human beings and our needs. In Graeber’s terminology, libertarian communism would be a form of human economy (as well as perhaps the movement that prefigures it).

However, Graeber also makes what I imagine will be a controversial argument about Medieval Islam and free markets. Throughout the book, Graeber points out that the common sense view of ‘market’ and ‘state’ as diametrically opposing forces is false, and that “historical reality reveals (...)

they were born together and have always been intertwined.” Consequently, he is dismissive of the economists’ idea of the free market, since markets are underpinned by state force, and historically were *created* by state action (typically taxation to raise armies to wage war). However, in Medieval Islam, Graeber does identify something like a true free market, that is, a market without any state involvement. But here, without the force of the state, the only guarantee for commercial activity is honour and trust. In the absence of coercion, market relations tend to be reabsorbed in the web of social relations, a ‘moral economy’, regulated by custom and reputation, and thus based more on co-operation than competition. Thus, paraphrasing the work of the Islamic scholar Tusi (1201–1274 AD), he writes that:

**Graeber wrote:**

The market is simply one manifestation of this more general principle of mutual aid, of the matching of abilities (supply) and needs (demand) — or to translate it into my earlier terms, it is not only founded on, but is itself an extension of the kind of baseline communism on which any society must ultimately rest.

This is certainly a provocative argument: markets are communist! To be clear, this is not Graeber’s argument, so much as his summary of Tusi’s. However, it isn’t as paradoxical as it sounds. Graeber’s argument is that without state power, commercial economies tend to revert to more human ones, with honour, trust, mutual aid and co-operation replacing coercion and competition (more on this below). I also suspect there’s a hint of provocation here to the US right: finding the only example of functioning ‘free markets’ in the writings of Islamic scribes. There’s also a hint of Karl Polanyi’s ‘double movement’, where the ‘self-regulating market’ comes up against a counter-movement to subordinate it to social needs (Karl Polanyi, from