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Anarchism, Russian-style
19 June 2015

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The village of Kolionovo has a reputation for independent mindedness and upsetting the authorities. Now they've created their own currency — the *koliony*.

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To put it simply: if the Central Bank is responsible for economic growth, then why does it shrug off negative currency fluctuation, aspects of crisis and a fall in GDP so easily? Why does no one take responsibility for the fall in citizens' living standards? Why do these structures fail to provide the conditions necessary for our citizens to implement their rights to life and work? Perhaps it's time to change something?'

The pathos of that 'it's time to change' should give us reason for optimism. Just like Shlyapnikov, Davletbaev understands all too well the indifference of those 'responsible' for the state of affairs in a remote village.

If one looks at the Russian economy today through the eyes of Silvio Gesell, there is nothing sadder than the total control of people who receive profits from rents rather than labour and real exchange.

This is why we should give the creators of the *koliony* and *shaimuratiki* their due, and those who try to spread the seeds of cooperation and economic alternatives on (otherwise infertile) Russian soil.

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– these societies were more ready for cooperation. For Lietaer, this is the source of currency pluralism:

'The stronger the king, the larger the kingdom, and the less practical it becomes to keep the demurrage system going. This happens in parallel with a growing political necessity for a repression of women as well. The stronger the patriarchal impulse, the more it may appear necessary to give to each man the feeling of being "king in his own household".'

While patriarchal societies favour strong single currencies, matriarchal societies opt for dual currency systems – one currency for long-distance trade, and another for local exchange.

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It's time to change

Mikhail Shlyapnikov and his *koliony* still have a long way to go before they make it into the history books. The humble *kolion* is, after all, not subject to demurrage. But the connection between this farmer and the land around him makes him a part of a larger financial history of alternative currencies.

The *kolion* is the strongest currency: its exchange rate is unchangeable and fixed to eggs, geese and other goods produced by Shlyapnikov. Oil prices and the rouble exchange rate can affect the kolion indirectly via the prosperity of the participants of exchange. But there is no direct link. And the significance of *koliony* lies in creating autonomy from the harmful system of speculation.

As Rustam Davletbaev, the creator of *shaimuratiki*, writes: '*Koliony* have exposed a very serious problem – the absence of responsibility of economic institutions of the state – the Central Bank, Ministry of Finance and the Ministry of Economic Development when it comes to the periodic economic and financial crises faced by Russia, and their consequences.'

For Gesell, money can help people find a common economic language, to recognise people's contributions to society. But money also breeds a tendency to accumulation, which creates hierarchies, competition, crises and armed conflict. Gesell saw the basis of prosperity and justice in making accumulation unprofitable and, on a conceptual level at least, tried to think about money as an item of exchange like any other.

But we have to make sure that goods and money correspond in terms of value, and all goods have an expiry date. So why shouldn't money? Demurrage is precisely that: the ageing of money.

Yin and yang

The Belgian economist Bernard Lietaer classified the world's currencies in terms of Yin and Yang. Yang currencies are the fiat currencies we know (and love) – units of value issued by the state. They are convenient for international exchange (if the issuing state is sufficiently powerful). They are capable of gathering society's resources for large projects and quick mobilisation. But they also form the basis of hierarchy, power and competition.

By contrast, Yin currencies stimulate the circulation of locally produced goods and services, transforming the whole landscape of a community through constant circulation.

Lietaer says directly that the more patriarchal a society is, the less perfect the financial system it creates. The men standing at the top of the patriarchal hierarchy do not allow 'currency pluralism' because it erodes centralised control (hence the concern in the Moscow and Bashkirian Prosecutor's Offices).

Those ancient societies, which respected women's reproductive labour, which idealised it and connected it to fertility cults

The story of Russian farmer Mikhail Shlyapnikov and his 'self-made' money has become something of a sensation of late, and has long travelled beyond the confines of Kolionovo, the village where he lives. The Moscow Prosecutor's Office is now investigating Shlyapnikov's currency (named *koliony* after his village) and its creator on suspicion of infringing the state's monopoly on issuing currency.

A remote and tiny village, Kolionovo lies at the end of a small road just off a highway leading west out of the Russian capital. And Kolionovo would have remained remote, tiny and unknown, if it wasn't for the periodic scandal about how the village's elderly residents have chased the local administration out of town, the campaign to save the village hospital, the self-organised firefighting service or the ban on public officials entering the village without a document testifying to their mental health and a recent fluorography test for tuberculosis. But now the residents of Kolionovo have devised their own currency and, in doing so, have written themselves into a wider history – a history of alternative currency and anarchism.

Existential downshifting

With the dubious honour of being Russia's leading anarchist farmer, Mikhail Shlyapnikov was a successful entrepreneur before he moved to Kolionovo.

After a series of unsuccessful operations for cancer in 2004, however, doctors told Shlyapnikov he had three months to live. And Shlyapnikov decided that, if he were going to die, he'd die in the countryside.

This existential downshifting did not help Shlyapnikov find peace. Instead, the move to Kolionovo prompted Shlyapnikov to become something of a rebel. This kind of story usually takes place in reverse: a former activist, having come of age (and to his or her senses), moves to the countryside in order to escape the madness of city life. After living for a while in Kolionovo, though, Shlyapnikov began to invest his entrepreneurial talents in what he understands by anarchism.

The move to Kolionovo prompted Shlyapnikov to become something of a rebel.

For instance, take Kolionovo's sapling nursery, a form of ecological activism and business vital to the health of the Moscow region: the forests here suffered huge fires in 2010 and after; and have been punished by an epidemic of insects, which feed on tree bark.

But now Shlyapnikov and his comrades have gone too far (for the authorities that is): they have started issuing their own promissory notes; 20,000 of them. And with his charisma and popularity, Shlyapnikov couldn't help but provoke the powers that be.

After all, the question on everybody's lips – in the break room at work, hanging out with friends or chatting on the internet – is the exchange rate. So one can understand the Russian state's concern for its currency monopoly, as well as the press and public reaction to the *koliony*.

Minimise interactions with the state, develop mutually beneficial relationships and good old-fashioned altruism (helping the less well-off, orphans): this is anarchism, Kolionovo-style. This is not total anarchy, however: Shlyapnikov is still paying his workers in roubles, and paying employer taxes.

Systems of exchange

We're used to measuring so much in terms of money, it's hard to think of life without it.

But there are a large variety of currency systems, which depart from the fiat system (that is, money issued by the government): time banks, crypto-currencies (bitcoins being the most famous), local currencies and currencies with 'return percent-

'Koliony aren't even money, they're just IOUs.'

As Mikhail Shlyapnikov has argued in court and out (he has his own LiveJournal account): '*Koliony* aren't even money, they're just IOUs.' In this sense, this farmer-cum-anarchist from outside Moscow has not come up with anything new.

In *Debt: The first 5,000* years, David Graeber writes: 'There is an unresolved debate between those who see money as a commodity and those who see it as an IOU. Which one is it? By now, the answer should be obvious: it's both.'

Graeber uses numerous examples to illustrate how traders and artisans in the past issued their own money made from iron, wood and leather. This kind of money circulated in a community of business partners, among consumers of the same institutions, stalls and studios. And as we face a fresh economic crisis, small business owners have returned to these practices.

This development is neither surprising, nor revolutionary. Small business is creating currency in its own image – and now you can travel down the 'goods-money-goods' trail without the involvement or management of the central bank. Big capital expresses itself through fiat currencies and comes alive in global currencies – even abstract ones like electronic currencies.

But IOUs are goods like any other, and the exchange of goods is, in turn, a mutual obligation. According to Graeber, economics is, in fact, the material expression of ethics, and the market economy is a reflection of the ethics of debt. But where is the border that separates 'mutual obligations' from the cut-throat world of financial monopolies?

It was the German economist Silvio Gesell who first detailed both the useful and harmful aspects of money at the end of the 19^{th} century. Indeed, it was Gesell's concept of 'free' money, which inspired the experiments in Wörgl and Shaimuratovo.

underwrite currencies and the money is originally a relation between persons in society, a token perhaps. The other reveals the coin as a thing, capable of entering into definite relations with other things.'

The nominal value of every coin often did not correspond to the value of the metal (gold, silver or bronze) used to make it. In *Information, Work and Value*, Paul Cockshott goes back to the very first currency made in the Kingdom of Lydia (coined from a mixture of gold and silver). Diluted with silver, these seventh century coins were worth more than the gold contained within them, and were, as such, very expensive coins. With a single Lydian *stater*, you could satisfy your basic needs for a month.

Cockshott comes to the conclusion that ancient kings tried to avoid deceiving their subjects, and both introduced and set the value of their currency specifically to simplify the collection of taxes: 'If the Crown imposes on its citizens a duty to pay tax in coin of the realm, then these citizens must either work directly for the state – building roads, acting as soldiers etc, or, they must produce commodities to sell to those who do serve in the army, build roads etc. In this conception, it is the coercive power of the state that accelerates the penetration commodity production into the social organism.'

Today, it is the currencies of the world's most powerful states, which are the most respected. (In this sense, the Eurozone is like an empire created and managed by the unity of economic interests.) And today, the state's main concern in the financial sphere is to preserve its status, its monopoly on issuing money.

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age' or planned inflation, goods-exchange communities such as LETS (local exchange trading system) and internet exchange communities.

The range of different forms of economic relations is striking. According to Maxim Mitusov, an economist who specialises in local currencies, there are more than 4,000 local economic systems in the world.

In essence, any group, which is united by common interests and mutual trust can create its own money or its own non-monetary system of exchange with only a few simple skills. It's a question of how united the group is – that's the deciding factor.

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Early societies did not suffer from the absence of money at all: they simply weren't aware of it. Evidence for this can be found in numerous observations made by ethnographers and social anthropologists.

First of all, primitive societies originally found and consumed all goods together, collectively. Second, most primitive forms of ethics were based on mutual assistance: you simply couldn't survive without it. This kind of ethics excludes any form of selfishness, the desire for profit – even the very idea of debt.

Self-organised economic activity rises to the fore when fiat currencies begin to decline. During the 1990s, many Russians working in factories remember being paid in the goods they produced themselves, or the goods they were traded for. (Army families can recall how entire garrisons were paid in groceries.) The money just wasn't there, but goods were aplenty.

For people living in the Russian countryside, barter is still an important mechanism in interpersonal relationships. Financial flows simply can't penetrate this far, and remain in the metropole – in banks, the cycle of urban consumption, in offshore accounts, and in bureaucratic and criminal structures.

Self-help

Crises are often accompanied by attempts to create money without the involvement of the state. The crisis, which hit Argentina in 1998, for instance, provoked an unprecedented level of cooperative activity.

Cast out from the closed factories and rented flats, Argentine citizens watched with hungry eyes how trains and trucks carried off basic items – items which they needed – in order to pay off the state's foreign debt. At that moment, millions of people without jobs realised that the only things you can rely on in life are your own energies, skills, and other people.

Looking at photographs from that time, you can see, not only people holding stolen goods, molotov cocktails, sticks and stones, banners, but brightly coloured bits of paper too – money they'd made themselves, the *credito*. With the help of this 'money', members of a rebellious and self-organised community were able to pay one another and exchange goods.

Or the example of Michael Unterguggenberger, mayor of the Austrian town of Wörgl, who issued his own *Wörgler Freigeld* to save the town from bankruptcy and build a series of public projects over a 13-month period during the Great Depression. After a few years, though, when dozens of other Austrian communities had become jealous of their neighbour's success and decided to replicate the idea, the national bank banned the *Freigeld*, frightened by the threat to its monopoly.

Likewise, the Bashkirian *sovkhoz* (state farm) of Shaimuratova responded to the financial crisis of 2008 by issuing its own currency – *shaimuratiki*. According to the project's initiator, economist Rustam Davletbaev, local currencies can channel unexpressed 'demand' (usually ignored by the market) in the sense that it allows people who want to buy goods (but have no money) to use their own goods or skills in a local system of exchange.

Unfortunately, though, while everyone in Shaimuratovo liked the idea, the local Prosecutor's Office didn't. The fight for *shaimuratiki* continues, only now at various courts.

What is the secret of these and hundreds of other currencies just like them? What makes them workable, and how do they affect the economy?

On the one hand, alternative currencies are more than just money: they connect people's real interests to their capabilities and the products of their labour. As a rule, these kinds of currencies are not part of the system of financial speculation, nor are they linked to the price of hydrocarbons.

On the other, the cost of devaluation (demurrage) of alternative currency means that accumulating this money is less than profitable. Yet circulation of these currencies is increasing, and is leading to the development of local infrastructure.

If alternative currencies are so useful, why is the state afraid of them?

'Like a piece of uncurrent gold'

'Pray God, your *voice*, like a piece of uncurrent *gold*, be not cracked within the ring.' So speaks Hamlet in an elegant reference to the death of the king, the father of the Danish prince, and whose face was depicted on the 'piece of uncurrent gold'.

Shakespeare's metaphor exposes one of money's most important characteristics: while the fact that monarchs impress themselves on every unit of currency may seem an act of vanity, the face of the sovereign means that the value of this unit is guaranteed by the state.

For instance, the anthropologist Keith Hart writes: 'Look at a coin from your pocket. On one side is "heads" – the symbol of the political authority, which minted the coin; on the other side is "tails" – the precise specification of the amount the coin is worth as payment in exchange. One side reminds us that states