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In "An Anarchist FAQ," Iain McKay writes, "*…anarchists have, traditionally, been weak on…economics (which is ironic, as Proudhon made his name by his economic critiques*)" (2008; p. 13). This is why David Graeber, the anarchist anthropologist, deserves praise for writing a major work on political economy. He has written, he says, a "*book [on] the history of money, debt, and credit*" (2011; p. 212). "*My own aims are…to understand the moral grounds of economic life, and by extension, human life…*" (p. 89). The book was influenced by the Great Recession of 2008 and following, which should have been "*…the beginning of an actual public conversation about the nature of debt, of money, of the financial institutions that have come to hold the fate of nations in their grip*" (p. 15). "*This book is a history of debt, then, but it also uses that history as a way to ask fundamental questions about what human beings and human society are or could be like*" (p. 18). Graeber's book is not only a history of debt and money, but also involves questions of morality and of possible futures, "*what human society could be like*."

I am reviewing this book from my own viewpoint. I am a revolutionary anarchist who has concluded that Marx's critique of political economy is the most useful economic theory for understanding how capitalism works. This was the opinion of Bakunin and of many anarchists since (see chap. 3 of Black Flame, Schmidt & van der Walt, 2009). I do not call myself a Marxist, however, because there is also much in Marx's theories with which I strongly disagree, not to mention my rejection of the theory and practice of most of the post-Marx Marxists. It is from this viewpoint that I critique David Graeber's contribution.

Much of this book is very interesting as well as clearly written, lively and witty. It covers an amazingly wide range of topics, over its "5,000 years." This includes lengthy discussions on the possible origins of money, the role of debt in various religions, the relation of slavery to the beliefs of the "heroic" age, the origins of "please" and "thank you," temple prostitution, the interaction between early markets and early states, and many other topics—which makes it difficult to review! Graeber avoids Eurocentrism, by looking at economic developments on a world scale, covering the major regions of human settlement as they evolved separately and together. Even when I disagree with him or (more often) am not sure whether he is right, I find his writing thought-provoking. Unfortunately, due to space limitations, I cannot write about most of the subjects he raises.

His book is best treated as a history of debt, credit, and money, and of the interaction of these with other aspects of society (politics, family structures, ideologies: religion, philosophy, and morality, etc.). From my viewpoint, stated above, I have no problem saying that debt and credit are vitally important in economic history as well as today. *"Credit plays a central role in the most basic processes of capital accumulation and it lies at the core of Marx's account of the system*" (Choonara, 2009; p. 100).

My disagreement with Graeber is that he makes debt and credit the main factor in social development. I believe there is something even more central, which is human labor. In my opinion, his view leads to a wrong analysis of the current economic crisis and to a limited program for "*what human society could be like*."

The Exploitation of Human Labor

This problem appears in his discussion of slavery. Graeber emphasizes the centrality of slavery to social development. At certain times and places, slaves were even used as money. Slavery was central to the self-conception of the "heroes" of certain societies. Slavery laid the basis for modern economies. Graeber describes this important institution: "*…What is slavery?…Slavery is the ultimate form of being ripped from one's con-*

have invariably resisted this kind of politics" (p. 390). Indeed! I would think that to achieve such a demand would require the overthrow of the capitalist class and their state. But anyway, Graeber concludes, "*Nothing would be more important than to wipe the slate clean…and start again*" (p. 391). This last phrase is revealing. Apparently debts would not be abolished forever; people would start over again, accumulating debts.

Conclusion

Without going into detail, Graeber imagines a future society, without capitalism but without common ownership of the means of production either, with some degree of hierarchy, with some sort of market, with money, and with debts. This is not really a revolutionary alternative to capitalism. It is the image of a cleaned up capitalism, without its bad qualities (a good, communal, market, limited hierarchy, debts which are periodically wiped out, etc.).

David Graeber's *Debt, The First 5,000 Years*, is an interesting and thought-provoking book. It is worth reading as a history of debt, credit, and money. However, it has a mistaken basic concept, that debt is at the center of human economics and society, generally downplaying the significance of human labor (which was correctly emphasized in Marx's economic theory). For this reason, Graeber has a mistaken analysis of the Great Recession and the current economy. He presents a limited and nonrevolutionary vision of a post-capitalist future, quite in contrast to the revolutionary anarchist-communist (libertarian socialist) program of Kropotkin and others.

References

Exchange in the Market

By "exchange," Graeber means a situation "*in which each side gives as good as it gets*" (p. 103). This may include exchanging gifts or barter or competitive commercial business. "*There's always some sort of system of exchange*" (p 385) which may be a market. Markets can be good and noncapitalist, he claims. Graeber goes to great lengths to repeatedly insist that "markets" and "capitalism" are not necessarily the same. "*…The market [and] capitalism (I must continually remind the reader that these are not the same thing)*" (p. 376). "*Markets, when allowed to drift entirely free from their violent origins, invariably begin to grow into something different, into networks of honor, trust, and mutual connectedness*" (p. 386).

I agree that early markets (exhanges of commodities at the margins of society) were the not the same thing as developed capitalism (when human labor-power became a commodity and the whole of society was subordinated to commodity production). But capitalism developed out of early commodity exchange (with a big assist by the state). A return to pre-capitalist markets would only make likely the re-development of capitalism.

To continue to have markets, implies continuing to have money. Graeber states, "*Money was no more ever 'invented' than music or mathematics or jewelry….It's probably as old as human thought*" (p. 52). If money is an aspect of human thought, comparable to music or mathematics, then, like music and mathematics, presumably we can expect to always have money.

Of all the things he could raise, Graeber makes only one specific "*concrete proposal….*" It is "*…for some kind of Biblical-style Jubilee…*" (p. 390). All debts, domestic and international, would be forgiven (he does not say whether this should be periodic, as in the Bible—every 7 years or every 50 years). This would, no doubt, be difficult to win. "*…Great imperial states*

text, and thus from all the social relationships that make one a human being….The slave is, in a very real sense, dead" (2011; p. 168).

This is true and even insightful. Yet it leaves out what almost anyone—even those who never heard of anarchism or Marxism—would include: that slaves were forced to work, with barely any return, for someone else. The whole point of ripping people from their social contexts and making them legally dead was so that a minority (a boss class) could work them like ill-fed animals, give them as little sustenance as possible, and then take the results of their unpaid labor. In other words, the point of slavery was exploitation of human labor. And the history of ancient slave empires, as well as of more modern chattel slavery in North and South America, was a history of class conflicts between the slaves and the master classes.

Marx could have been responding to Graeber (agreeing and disagreeing) when he wrote, in Capital, vol. 1, "*The class struggles of the ancient world took the form chiefly of a contest between debtors and creditors, which in Rome ended in the ruin of the plebeian debtors. They were displaced by slaves. In the middle ages the contest ended with the ruin of the feudal debtors…. Nevertheless, the money relation of debtor and creditor that existed at these two periods reflected only the deeper-lying antagonism between the general economical conditions of existence of the classes in question*" (1906; p. 152).

The "deeper-lying antagonism between classes" was that one class exploited the labor of others. Slavery, serfdom, debtorship: these were all mechanisms for exploitation. It is indeed valuable to analyze how these mechanisms worked, including the creditor-debtor relationship. But we should never forget that the purpose of any of these methods was the exploitation of labor.

Similarly, Graeber misstates the meaning of wage-labor under capitalism. He refers to "*…that most basic, dominant institution of our present economic life: wage labor*" (2011; p. 206). But he writes this in the context of discussing the legal philosophy of rights and liberties. He writes that "*a wage-labor contract is…[an] agreement between equals to no longer be equal (at least for a time)…. It is the very essence of what we call 'debt'*" (p. 120).

Again, he understands everything about wage-labor except that it is a form of exploitation. The whole point of the capitalist making the worker temporarily "unequal" is to get the workers to work for a certain number of hours to produce the equivalent of the workers' wages and then to continue to work for several more hours, giving (essentially unpaid) labor, producing "surplus value" (the basis of profit). If this is the "very essence of debt," then the essence of debt is exploitation of labor. (Of course, Graeber knows that slavery and wage-labor exploit human labor; he just does not consider this to be vitally important to their meaning.)

Graeber notes that "*socialists…saw capitalism as the system whereby those who own capital command the labor of those who do not*" (p. 345). This is not his view, however. Graeber notes that banks and bond markets and other financial institutions had come into existence "*before the rise of factories and wage labor itself*" (p. 345) and therefore "capitalism" can be said to begin before there was wage labor. There is no point in quibbling over definitions. Certainly the early market economy developed all sorts of economic apparatuses which paved the way for the eventual development of a fully capitalist society. But a qualitative change occurred with the spread of wage-labor, which Graeber has correctly called, "*the most basic dominant, institution*" of capitalism.

Graeber misunderstands what capitalism is. He describes it as "commercial society," an economy driven to expand its money, to growth and accumulate its wealth. A marginal few in pre-capitalist economies sold commodities to get money in order to buy new (and more desired) commodities. But capitalists, he says, take money to buy commodities in order to

will determine what they think is necessary to change in order to abolish capitalism and the state. Marx, as well as anarchists of the broad, class-struggle, tradition, believed that exploitation of workers was central to capitalism. Therefore they advocated a cooperative, classless, society, without exploitation, as central to the struggle against all forms of oppression. But if people agree with Graeber that debt is basic to the functioning of capitalism, then they will focus on the abolition of debt (or at least its limitation).

Graeber declares that all societies, past present and future, base their economies on three "modalities." "*There are three main moral principles…all of which occur in any human society, and which I will call communism, hierarchy, and exchange*" (p. 94).

By "communism," Graeber means that all societies rely on community, solidarity, mutual aid, neighborliness, informal cooperation, and "love." He specifically denies that "communism," as he uses it, has "*anything to do with ownership of the means of production…. The question of individual or private property…is often little more than formal legality anyway*" (p. 95). "'*Communist society'—in the sense of a society organized exclusively on that single principle—could never exist*" (p. 95). However, Kropotkin and other "anarchist-communists" of "the alternate strain of revolutionary theory" did advocate a cooperative economy with the means of production held collectively ("in common"). From this point of view, Graeber would seem to be rejecting libertarian communism.

What Graeber means by writing that there would always be "hierarchy" is not quite clear. Is he denying that an egalitarian society is possible? Is he saying that some sort of state is inevitable? Or is he just saying that even in a classless, egalitarian, society, adults will have responsibility for children, some people may be more influential than others among friends, and so on? Anarchists could accept the latter, but I am not sure if that is what he means.

about 1970) toward economic stagnation, overproduction, unemployment and underemployment, underdevelopment and lop-sided development in the oppressed nations, etc. There was a long-term tendency of the rate of profit to fall, together with a growth of monopolization. These caused stagnation in the "real economy" (the production of real goods and services), due to the decline of real surplus value production. In response, capitalists increasingly invested in the "paper economy," in what Marx called "fictitious capital," to produce paper profits (which turned out to be unsustainable). Obviously this question would take much longer to explain and debate (see Foster & Magdoff, 2009; Kliman, 2012; Mattick, 2011). At least this explanation is rooted in real factors of labor and production.

His Vision for the Future

A major advantage which anarchism has over Marxism, is that Marx was quite vague about any program for a society after capitalism, focusing mostly on current analysis and strategies for change. By contrast, anarchists have offered visions for a new and better society, in more or less detail. But not Graeber. "*What I have been trying to do in this book is not so much to propose a vision of what, precisely, the next age will be like, but to throw open perspectives…*" (p. 383). Tellingly, at no point in this book, does Graeber identify himself as an "anarchist" or advocate "anarchism," nor does he call himself a "revolutionary" or advocate "revolution." At the most, in a footnote, he vaguely remarks that, rather than Marxism, "*I am drawing here more on the alternate strain of revolutionary theory, evident most famously perhaps in Peter Kropotkin's Mutual Aid*" (p. 404).

However, if we look carefully at his book, we can find the basic principles which he expects to apply to "the next age". After all, what thinkers believe is central to capitalism's functioning

sell these commodities for more money than they started with. Graeber applies this to early merchants (who bought goods in one place in order to carry them to distant places and sell them for a higher price due to their rarity). But such merchants (like the Polo brothers) did not increase the overall wealth of society, they only moved it around. Under capitalism (as Marx saw it), the industrial capitalists buy raw materials and machinery, in order to combine them with the labor-power hired from workers. The labor of the workers makes new things and new values, including unpaid-for surplus value. That is how capitalism expands.

Commodities and Values

Graeber works his way through several theories of the origins and the nature of money. He concludes, "*…there is an unresolved debate between those who see it as a commodity and those who see it as an IOU. Which one is it? …It's both…. Money is almost always something hovering between a commodity and a debt-token*" (pp. 73, 75). Yet his whole book focuses on the nature of debt (credit) and says virtually nothing about commodities, what they are and how they evolved. Is this because commodities cannot be discussed except by acknowledging that they are objects and services provided by human labor?

Compare this with the very first paragraph of Marx's Capital: "*The wealth of those societies in which the capitalist mode of production prevails, presents itself as an immense accumulation of commodities, its unit being a single commodity. Our investigation must therefore begin with the analysis of a commodity*" (1906; p. 41). This is a different concept of what capitalist society is and how it needs to be analyzed.

Together with his silence about what commodities are, there is Graeber's silence about economic "value." Considering money, Graeber demonstrates that both the commodity theorists and the credit theorists agree that the function of money is "to measure the value of other commodities" (p. 44). "*A gold coin is a promise to pay something else of equivalent value to a gold coin*" (p. 47). "*What we call 'money'…is a way of comparing things mathematically, as proportions: of saying one of X is equivalent to six of Y*" (p. 52). But to say that things are "equivalent" in certain proportions is to say that they have equal (equivalent) values. What is this "value" that can be measured in terms of how much each commodity has?

Marx believed that economic value, the exchange value of the capitalist market, was different from the utility (use-value) of the commodity. The producing (and selling) capitalists do not care what the use-value is of a commodity, so long as there is a buyer who is willing to pay money for it. The exchange value of a commodity is the amount of socially necessary labor time which went into each commodity (as modified by various factors such as the average rate of profit, the effect of monopoly, short-term fluctuations in supply and demand, etc.). Some sort of "labor theory of value" was almost universal among pre-Marxist classical economists, including Adam Smith, David Ricardo, and Proudhon. For example, Ben Franklin wrote, "*Trade in general being nothing else but the exchange of labor for labor, the value of all things is…most justly measured by labor*" (quoted in Marx, 1906; p. 59). Graeber rejects the labor theory of value but does not say why. Nor does he suggest any alternate approach to value (such as the "marginal utility" approach). In all this big book he has nothing to say about value in the market. (I see that he has written a book which has "value" in its title. Whether it discusses this topic, I do not know.) Yet again, he downplays the importance of labor.

In a footnote in the back of the book, Graeber makes a brief remark that he has "*tried to move away from the economistic framing of human life as 'reproduction of labor' that hobbles so much Marxist literature—[my] emphasis [is] on life beyond survival…*" (p. 453). This from someone who has written a 450 page book in which, as he says, "I am mainly interested here in economics" ! (p. 406). It is indeed wrong to make a crude, mechanistic, analysis in which labor is directly all that matters and everything else would just be an unimportant reflection. That would be "economistic." But there is no reason why the "reproduction of labor" cannot be seen as a major factor, influencing the rest of society and being influenced by other social factors in turn (by politics, family structure, social psychology, religion, art, etc.). That would not be "economistic."

Today's Crisis

Graeber's writing is weakest when discussing the causes of the current economic crisis. It is sloppy and unbelievable. He states, *"Presented with the prospect of its own eternity, capitalism—or anyway, financial capitalism—simply explodes. Because if there's no end to it, there's absolutely no reason not to generate credit—that is, future money—indefinitely…. The period leading up to 2008 was one in which many began to believe that capitalism was going to be around forever…. The immediate effect was a series of increasingly reckless bubbles…*" (p. 360). Apparently he is serious (he repeats this "analysis").

Was the period before the recent period (say, the post-World War II apparent prosperity) one where people did not believe that capitalism would be around forever? (I lived through the 60s, and I can assure Graeber that most people, alas, thought capitalism was eternal.) Did investors turn to "financialization" in the 80s because they had a new faith in capitalism? Is there any evidence for these claims? If this was so, then why did the bubbles ever pop? A sudden belief in the limitations of capitalism?

This view is based on nothing but speculation about mass psychology. It ignores the long term trends (at least since