Debt: The First 5,000 Years, by David Graeber (New York: Melville House, 2011)

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Most histories of money are histories of coins and tokens but, coins come and go with empires. Money has much deeper roots in the form of obligation that binds together even the simplest societies. As Brent Ranalli puts it, "It takes an anthropologist to write a truly universal economic history, and that is what David Graeber has accomplished with '*Debt: The First 5,000 Years'*. With its wide scope, *Debt* offers valuable perspective on contemporary issues. The problem of economic insecurity that makes basic income so urgent today is not a unique feature of modernity or capitalism (though modern technological advances make possible for the first time a universal basic income as a solution), but it has been with us since the development of money per se—that is, financial credit, or debt—at the dawn of civilization."

The book can be mainly divided into two parts, analytical and synthetic. Graeber first demolishes what can be understood as the traditional myths propping up economics. The initial myth which comes under his assault is that of barter. He argues that barter as a concept has actually no prior existence and is a myth which has simply been perpetuated by economists. He demonstrated how barter was never used within traditional societies and how people simply took care of each others' needs by granting favors. In fact, many a times it used to be a community based distribution where goods were stocked and then provided to people. Barter, when it did occur in traditional societies, occurred between groups which were hostile or almost hostile to each other. At the very least they didn't share any relationship. This argument is augmented by the example of various tribes and the rituals they undertook before engaging in barter. Thus, it can be reasoned that the insistence on the barter system in modern societies actually demonstrates a revamp of the systems in society where relationships are characterized more by hostility and less by amicability.

The author follows by refuting the conventional wisdom that the state and markets have always been at loggerheads to each other. He demonstrates that rather the two have always coexisted and actually tend to reinforce each other. There are only very rare instances, for example during the medieval

Islamic era, where markets have existed without a state propping it up. He continues by discussing the violence which characterizes or underpins most aspects of society and how that violence holds the establishment of a bourgeois economic order. This order is bound by patriarchal societies where women, if not anything, face structural violence and practices like debt-slavery exist. It is also under a setting of war industries or markets which tend to satisfy the desires of soldiers.

The monetary system in ancient Eurasia was based on credit system and this preceded the advent of coined money. However, the form of money is not very relevant to the idea that money will ultimately be lent and entrap people within the vicious concept of debt, and one that includes interest. The only recourse which a family trapped in debt was ultimately left with was to provide some member of the family as slave. Thus, the concept of debt or serfdom appears to be interlinked with debt. This can be exemplified even today where bondage labor still exists and emancipation from debt appears to be a distant dream.

In the second half of the book, the author retells the story of civilization through the lens of money, debt, and slavery. In fact, Graeber argues, very convincingly, that evolution is in large part, the story of interaction between societies and the debt trap that afflicts them. He provides the example of Mesopotamian kings who used to provide periodic pardons, to substantiate. There were many groups which discouraged interest, or at the very least, set a nominal upper bound. Many societies also adopted radical ways wherein, they used to abolish debt or slavery altogether.

As said earlier, the Mesopotamians were pioneers of the use of money and also the trap within which debt engulfs. However, their leaders periodically waived off the debt requirements. Also, many a times, debtors fled with their families to the hills and joined the "habiru", bandits who used to live there. They also periodically attacked the civilized and urban Mesopotamia.

The advent of the "axial age" in Eurasian history is considered as a watershed event wherein, civilizational and cultural seeds bloomed simultaneously in India, China, and the Mediterranean. Graeber links this to the invention of coined money. He argues that with the invention of coins, ancient states were able to provide for the essential needs of its armies, and this accentuated the extent of the scale at which wars were previously fought. Except for few successful imperial powers like Rome and Athens, the coin usage encouraged the economic transactions and broadened the debt trap. Slavery became a social organization and part of everyday life, as expansive wars additionally implied taking huge quantities of prisoners who got to be slaves.

Usage of coined money came to awareness, suggesting that everything could be measured, realist methods of insight emerged in all the ancient civilizations. Furthermore, optimistic and humanistic theories and, religious developments emerged in opposition. These being the colossal philosophies and religions, reminds of the axial age –Greek theory against the sophists, Indian Buddhism against Vedic formality and Chinese Confucianism against legalism.

Graeber traces the outlines of a steady and stunted evolution from the axial age to the 'middle ages'. The overall story is that the axial empires collapse, coin gets swapped with credit pre-market forms of old-fashioned exchange, and the institution of slavery is deserted. But, this varies from place to place. For example, in China the axial imperial system never deformed, and the state power was used to sideline the merchant class and safeguard the poor. In India, the state lost its eminence, and the caste or custom-bent rural government were formed where the merchant class managed the money.

Islamic societies on the other hand, had a clear demarcation between the priestly and the state. It was also more bent towards imperial conquests than looking after economic and religious affairs. But, the merchants took a lead in religion, and mutually discarded the tradition of extortion on religious grounds. As the merchant class was successfully administered by a religious code of honor and contracts did not require interference from the state.

In Europe, the traditional modes of exchange had bloomed. Markets, money and the state withered away. The Church took a rigid stance against money lending and the feeling of anti-slavery institutions worked. The wind blew in the other direction in around 1450s. The new imperial era of conquests had started to bloom. This era saw many wars because of greedy rulers, lot of instances of slavery, mining and minting all of which originated in Europe. As complex instruments of credit smuggled from Islam, fresh debt traps opened, duping people in all locations, from kings to commoners and from warriors to merchants, shredding the other societies apart on the other continents. Renaissance too, added to the chaos when a surge of materialism crept in with several religious movements and humane philosophies.

However, the writer is skeptical of the underlying assumptions of time and progress that the modernists hold. For him, the possibilities of the future lie in recreating the past. His understanding and tracing of the ancient is 'stable', where the sense of community provided a shield against debt traps allowing him to hypothesize on the possible future which is in the opposite direction. He problematizes the present financial system of cash and markets as a pathology that is wrecked with imperial war. The beginning of this disease according to Graeber, was when Richard Nixon decided to make dollar a floating currency in 1971.

The book is well written and the arguments he uses are persuasive. However, there are a few holes in his convictions. His belief that capitalism will self-destruct because of its flawed inherent morality, makes him produce a set of arguments that remain the weakest point in the book. He is very right when he traces the genealogy of capital and markets to war and violence. The historiography of capitalism is full of brutal exploitations but, his predictions that capitalism will make the world imbalanced doesn't take into account the evolving nature of power and the manipulative polity which can produce and destroy stability or the sense of stability at will.

Graeber gives an interesting way to analyze the demise of the deal in 1945-1975 that gave the U.S. and European laborers a reasonable share of the economic pie. He states that they were not as a result of the limits posed by the system but, it had a lot to do with the rational choice of the elite class and those on the top of the hierarchy. This rational choice was dependent on how much of a leeway the elites wanted to give to the laborers. Since it was up to the elites, there existed a number of positions that could have provided varied and probably better choices. One choice that would have allowed for the continuation of the deal was that it could have enlarged the middle class consumer base. However, these choices do not show any signs of ending to the current economic order. For Graeber, if the current economic structure has to remain intact with the modes of productions, the labor and the financial institutions, it has to become less exploitative by assuring that the basic income of an individual is guaranteed.

Graeber's analysis of debt and slavery helps us locate the ills in the existing economic paradigm. The modern man has succeeded in vilifying slavery. The violence of slavery is in the past day and is not common anymore. The collective morality of the modern man has made slavery an evil act. However, the nature of violence is reflexive and debt is the new tool which is pushing individuals to slavery. It pushes individuals to the tipping point. This is more relevant in the context of India where more and more students are being sucked into the cycle of student debt and consumer debt. One is yet to see how the collective morality, law and institutions will rally to eliminate debt burden.