10 Money: one anthropologist's view

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Most anthropologists don't like money and they don't have much of it. It symbolises the world they have rejected for something more authentic elsewhere. It lines them up with the have-nots and against the erosion of cultural diversity by globalisation. As a result, anthropologists have not had much of theoretical interest to say about money. Rather, they have been limited to discussing whether primitive valuables are money or not. Thus Bronislaw Malinowski (1921: 13; see Strathern and Stewart chap. 14 infra) was adamant that Trobriand *kula* valuables were *not* money in that they did not function as a medium of exchange and standard of value. But Marcel Mauss (1990 [1925]: 100) held out for a broader conception that goes beyond the kind of money we are familiar with:

> On this reasoning … there has only been money when precious things ... have been really made into currency – namely have been inscribed and impersonalised, and detached from any relationship with any legal entity, whether collective or individual, other than the state that mints them … One only defines in this way a second type of money – our own.

He suggests (1990 [1925]: 101) that primitive valuables are like money in that they 'have purchasing power and this power has a figure set on it'.

This was the high point in anthropologists' discussion of money. Mauss's line was generally not taken up and, thereafter, economic anthropologists used concepts drawn from Western folk wisdom rather than from economics.[1] Parry and Bloch (1989) show how non-Western peoples incorporate modern money creatively into their indigenous social practices, but the editors' introduction has nothing to say about money in their own societies, the culture of which most of us absorb with our mother's milk. This lack of self-consciousness is a serious handicap. If ethnographic research is to help people understand the world we live in, we must be more open to studying mainstream modern institutions and the intellectual history of relevant disciplines outside ours (Hart 1986). Some individuals have done this, notably Carrier (1994, 1997), Gregory (1982, 1997) and Gudeman (1986, 2001; Gudeman and Rivera 1990). Chris Gregory's *Savage money* (1997) is an exceptional attempt to frame ethnographic research within an account of the upheavals in world money since the 1970s.

Accordingly, I have not attempted here to review the field (see Weatherford

1997), but rather to present four short sections on money drawing partly on a recent synthetic book (Hart 2001).[2] The first of these addresses the widespread idea, perpetuated by economists among others, that money originates in barter (see Hart 1987; see Heady chap. 16 infra). The second dissects the anthropologists' own favourite folk myth about how money undermines traditional cultures. The third examines why money matters so much for the members of capitalist societies, to the point of becoming an object of religious devotion. Finally, I present my own approach to modern money, taking the introduction of the euro as an example.

The barter origins of money

By now everyone knows where money came from. Our remote ancestors started swapping things they had too much of and others wanted. This barter ran into a bottleneck. It was not always easy to find someone who wanted what you had and had what you wanted in the right quantities. So some objects became valued as tokens that most people would be willing to hold to swap with something else in future. It might be salt or ox hides, but some metals were most often used in this way because they were scarce, attractive, useful, durable, portable and divisible. The restrictions of barter were lifted as soon as sellers would regularly accept these money tokens, knowing that they could be exchanged at any time. The money stuff succeeded because it was the supreme barter item, valued not only as a commodity in itself, but also as a ready means of exchange.

This is a myth of course. What does it tell us? That money is a real thing and a scarce commodity. That it rose to prominence because it was more effective than existing practice. That it originated in barter, the timeless 'primitive' form of exchange. What else does it tell us, about society, for instance? Well, almost nothing. When Adam Smith first told this story he claimed that the 'wealth of nations' resulted from the slow working out of a deep-seated propensity in human nature, 'to truck, barter and exchange one thing for another'. He went on:

> It is common to all men, and to be found in no other race of animals, which seem to know neither this nor any other species of contracts … Nobody ever saw a dog make a fair and deliberate exchange of one bone for another with another dog. Nobody ever saw one animal by its gestures and natural cries signify to another, this is mine, that yours; I am willing to give this for that. (Smith 1961 [1776]: 17)

Smith acknowledged a degree of social complexity in the transactions: the idea of contract, private property (mine and yours) and equivalence (fairness), none of which could plausibly be traced to the non-human world. His latter-day successors have not shown similar modesty, routinely claiming that the markets of *fin de siècle* Wall Street are animated by impulses that are not just

eternally human, but shared with the animals too, or at least the primates (Dunbar 2000: 2–3). Traders are unusual people (Hicks 1969). They own things they neither made nor will use, but still claim the right to the value of their sale. They are willing to give up their goods in return for payment; and their customers then have the right to do what they like with them. This is so commonplace in our world that we think of it as eternal. It is in fact quite rare within the range of known human societies. What gives buyer and seller confidence that they each have exclusive rights to dispose of the commodity? The power of state law reinforces their contract and usually supports the money involved. They can operate as isolated individuals only because of the huge social apparatus backing their exchange.

If trading with money is a special institution, how else have people circulated objects between themselves? In barter, two parties exchange goods taken to be equivalent; the timing and the quantities must be right; both sides must have the right to dispose of their goods without involving others; there is a risk of conflict in haggling. How much simpler to persuade you to give up your goods in return for money that you can hold for purchases from others in different times and places. But it is not convincing that such a complicated arrangement as barter would prevail before people thought of inventing money.

Barter is often found where markets using money prices are ineffective, usually because of a shortage of liquidity. Thus the Argentinians, in the recent currency crisis, flocked to barter clubs. People had a fair idea of what their goods were worth because of the co-existent markets they were too poor to participate in. In the North American fur trade in the eighteenth century, which gave Smith his example of 'primitive' barter, the ratio of beaver to deer skin was broadly set by the world market, but cash was scarce on the frontier. Nigeria and Brazil, being short of foreign currency, once arranged to barter oil for manufactures, knowing the price of each on world markets. One of the fastest-growing sectors of trade today is commercial barter networks, allowing businesses, for a commission, to swap unsold goods directly between themselves.

Barter does not require faith in any currency or other medium, and it is easy to conceive of barter as markets without money. What you see is what you get. More important, it allows trade to continue when the currency is lacking. It is cumbersome because both sides of the swap have to coincide. Apart from that, barter resembles normal trading quite closely, especially in its assumptions about property relations. Perhaps this is what recommended it to the economists as a possible precursor of markets proper. Apart from the missing money, everything is business as usual, especially the condition of exclusive private property in the goods traded. Barter is not much of an alternative then, just an inferior market mechanism.

I have been struck by the tenacity with which ordinary people cling to the barter origin myth of money. Can this merely be an example of John Maynard Keynes's (1936: 383) famous claim that our ideas are nothing more than the echoes of a defunct economist's theory? A Sudanese friend once asserted that the original economic system of his country was barter between villages; and then, when pushed, he admitted that these villages had been involved with merchant networks and money for thousands of years. It would be more plausible to locate the origins of exchange in the gift, as Mauss (1990 [1925]) suggested. But this would give priority to a personalised conception of money, seeing markets as a form of symbolic human activity rather than as the circulation of dissociated objects between isolated individuals. The general appeal of the barter origin myth is that it leaves the notion of the private property complex undisturbed.

The impact of money on traditional cultures

Consistent with this vision, every anthropology student knows that money undermines the integrity of cultures that were hitherto resistant to commerce. Anthropologists are not very happy in the marketplace and this gives many of them a jaundiced perspective on money. The American sociologist Thorstein Veblen (1957 [1918]) once wrote a book to explain how capitalist societies could permit the pursuit of truth in their universities. He concluded that the solution was to persuade academics that they belonged to the elite while paying them the wages of manual workers. They then compromised themselves pursuing the additional income needed to maintain a lifestyle they could not afford. Academics are obsessed with money and loathe it, because they never have enough of it.

This 'obsolete anti-market mentality' (Cook 1966) flourishes among the disciples of Karl Polanyi (1944) of whom the doyen was Paul Bohannan (1955, 1959; see Isaac chap 1. supra). His articles remain the main reference for anthropological discussion of money economy and its presumed antithesis. Before being colonised by the British around 1900, the Tiv maintained a mixed farming economy on the fringe of trade routes linking the Islamic civilisation to the north with the rapidly Westernising society of the coast. Bohannan argues that the Tiv pre-colonial economy was organised through three 'spheres of exchange', arranged in a hierarchy; and like could normally only be exchanged with like within each sphere. At the bottom were subsistence items like foodstuffs and household goods traded in small amounts at local markets. Then came a limited range of prestige goods linked to long-distance trade and largely controlled by Tiv elders. These included cloth, cattle, slaves and copper bars, the last sometimes serving as a standard of value and means of exchange within its sphere. The highest category was rights in persons, above all

women, ideally sisters, exchanged in marriage between male-dominated kin groups.

The norm of exchanging only within each sphere was sometimes breached. Conversion upward was emulated and its opposite was disgraceful. The absence of general-purpose money made both difficult. Subsistence goods are high in bulk and low in value; they do not transport easily and their storage is problematic (food rots). Prestige goods are the opposite on all counts. How many peas would it take to buy a slave? Moreover, the content of the spheres had changed: sister exchange had been largely replaced by bridewealth; slavery was abolished and the supply of metal rods had dried up. Bohannan still insists that Tiv culture was traditionally maintained through this separation of compartments of value.

The introduction of modern money was a disaster, according to him. Ordinary people could sell anything in small amounts, accumulate the money, buy prestige goods and enter the marriage circuit on their own terms, regardless of the elders. This amounted to the destruction of traditional culture. It is as if the technical properties of modern money alone were sufficient to undermine a way of life. Now this argument has come under sustained criticism; for example, that it is idealist and should pay more attention to the organisation of production (Dupré and Rey 1978), and that money is just a symbol of a whole complex of economic relations we might summarise as capitalism (Bloch and Parry 1989). But even these critics tend to ignore the political dimension of the colonial transformation.

The contributors to Parry and Bloch (1989) share the view that indigenous societies around the world take modern money in their stride, turning it to their own social purposes rather than being subject to its impersonal logic. The underlying theory is familiar from Emile Durkheim (1965 [1912]). There are two circuits of social life: one, the everyday, is short term, individuated and materialistic; the other, the social, is long term, collective and idealised, even spiritual. Market transactions fall into the first category and all societies seek to subordinate them to the conditions of their own reproduction, which is the realm of the second category. For some reason, which they do not investigate, money has acquired in Western economies a social force all of its own, whereas the rest of the world retains the ability to keep it in its place.

So here too we have a hierarchy of value where modern money comes second to the institutions that secure society's continuity. The picture becomes clearer if we apply the spheres of exchange concept to Western societies. As Alfred Marshall (1979 [1890]) wrote, it is not uncommon for modern consumers to rank commodities according to a scale of cultural value. Other things being equal, we would prefer not to have to sell expensive consumer durables in order to pay the grocery bills. And we would like to acquire the symbols of elite status, such as a first-rate education. If you asked British

people how many toilet rolls a BMW is worth or how many oranges buy an Eton education, they would think you were crazy. Yet all these things have been bought with money for longer than we can remember. So the universal exchangeability introduced by modern money is compatible with cultural values denying that all goods are commensurate. Nor is this just a matter of ideas; there are real social barriers involved. It does not matter how many oranges a street trader sells, he will not get his son accepted for Eton. And the gatekeepers of the ancient universities insist that access to what they portray as an aristocracy of intelligence cannot be bought.

This gives us a clue to the logic of spheres of exchange. The aristocracy everywhere claims that you cannot buy class. Money and secular power are supposed to be subordinate to inherited position and spiritual leadership. In practice, we know that money and power have long gained entry into ruling elites. Alexis de Tocqueville (1955 [1856]) praised the flexibility of the English aristocracy, unlike the French, for readily admitting successful merchants and soldiers to their ranks. One class above all others still resists this knowledge, the academic intellectuals. And so we line up with Tiv elders in bemoaning the corrosive power of modern money and vainly insist that traditional culture should prevail.

Why money matters

Westerners appear to think that including money in a transaction makes a huge difference to its social significance. It is not so in most of the world's societies. I was once talking to a Ghanaian student about exchanges between lovers in his country and he said that it was common there for a boy, after sleeping with a girl he has met at a party, to leave some money as a gift and token of esteem. Once he had done this with a visiting American student and the resulting explosion was gigantic – 'Do you imagine that I am a prostitute?' and so on. Where does that moral outrage come from? Why does money matter so much to us?

Buying and selling human beings is an old practice. We call it slavery. A wage, however, is a pledge, a promise to pay when the work is done, which is more flexible than slavery and ties up much less capital. A flood of rural–urban migrants into industrial employment established wage labour as the norm in nineteenth-century Europe (Thompson 1968). This led to an attempt to separate the spheres in which paid and unpaid work predominated. The first was ideally objective and impersonal, specialised and calculated; the second was subjective and personal, diffuse, based on long-term interdependence. Inevitably, the one was associated with the payment of money in a public place, the other with 'home'; so that 'work' usually meant outside activities, and the business of maintaining families became known as 'housework'. Now we earn money when we work and we spend it in our spare

time, which is focused on the home, so that production and consumption are linked in an endless cycle. But it is not easy. Especially at times of crisis, it is difficult to keep the personal and the impersonal apart; yet our economic culture demands nothing less of us.

One sphere is a zone of infinite scope where things, and increasingly human creativity, are bought and sold for money, *the market*. The second is a protected sphere of domestic life, where intimate personal relations hold sway, *home*. The market is unbounded and, in a sense, unknowable, whereas the bounds of domestic life are known only too well. The normal link between the two is that some adults, traditionally men more than women, go out to *work*, to 'make' the money on which the household subsists. The economy of the home rests on spending this money and performing services without payment. The result is a heightened sense of division between an outside world where our humanity feels swamped and a precarious zone of protected personality at home. This duality is the moral and practical foundation of capitalist society and prostitution exposes its contradictions. What could be more personal than sex and more impersonal than a money payment?

The attempt to construct a market where commodities are exchanged instantly and impersonally as alienable private property is utopian (Macpherson 1964). The idea of civil society in this sense was to grant a measure of independence for market agents from the arbitrary interventions of personal rulers. All the efforts of economists to insist on the autonomy of an abstract market logic cannot disguise the fact that market relations have a personal and social component, particularly when the commodity being bought and sold is human creativity. Until recently, markets and money were minor appendages to agricultural society, largely external to relations that organised the performance of work and the distribution of its product (Polanyi 1944; Weber 1981 [1927]). The middle-class revolution of the seventeenth and eighteenth centuries prepared the way for markets to be accepted at the centre of society (Carrier 1994). But it was the industrial revolution that made selling one's labour for wages the main source of livelihood. Only now did the market for human services become the main means of connecting families to society.

Where does the social pressure come from to make markets impersonal? Max Weber (1981 [1927]) had one answer: rational calculation of profit in enterprises depends on the capitalist's ability to control product and factor markets, especially that for labour. But human work is not an object separable from the person performing it, so people must be taught to submit to the impersonal disciplines of the workplace. The war to impose this submission has never been completely won (see Parry chap. 9 supra). So, just as money is intrinsic to the home economy, personality remains intrinsic to the workplace, which means that the cultural effort required to keep the two spheres separate, if only at the conceptual level, is huge.

Money in capitalist societies stands for alienation, detachment, impersonal society, the outside; its origins lie beyond our control. Relations marked by the absence of money are the model of personal integration and free association, of what we take to be familiar, the inside. Commodities are 'goods' because we consume them in person, but we find it difficult to embrace money, the means of their exchange, as 'good' because it belongs to a sphere that is indifferent to morality and, in some sense, stays there. The good life, instead of uniting work and home, is restricted to what takes place in the latter.

This institutional dualism, forcing individuals to divide themselves, asks too much of us. People want to integrate division, to make some meaningful connection between themselves as subjects and society as an object. It helps that money, as well as being the means of separating public and domestic life, was always the main bridge between the two. Today money is both the principal source of our vulnerability in society and the main practical symbol allowing each of us to make an impersonal world meaningful. If Durkheim (1965 [1912]) said we worship society and call it God, then money is the God of capitalist society.

Anthropologists might sign up for the sentiment that money is the root of all evil. But, in demonising money, they come close to endowing the institution with an evil power all of its own. Karl Marx wrote in *Capital* (1970 [1867]: 71–83) about 'the fetishism of commodities and the secret thereof'. The word *fetiche* is Portuguese for a West African custom of dedicating a shrine to a spirit that is thought to inhabit a particular place. So, if you need to swim across a dangerous river, a sacrifice to the spirit of the river will help you succeed. Marx considered this to be an example of religious alienation. In his view the spirit was an invention of the human mind; but the Africans experienced their own creation as a superior agency capable of granting life or death. Something similar, he believed, was at work in our common attitudes to markets and money. Commodities are things made by people; money is the means we have created for facilitating their exchange. Yet we often experience markets as animated objects exercising a power over us that is devoid of human content, a force that is usually manifested in the money form. Prices go up and down, more often up, in a way that undermines our ability to manage our own lives. Marx thought we might overcome this alienation since, unlike the spirits produced by religious imagination, we know that human labour is the source of the commodities we exchange for money. His *Capital* was designed to show the way towards such an emancipation.

We want to believe, at least, that the money we live by has a secure objective foundation. Georg Simmel (1978 [1900]) thought of society as an endlessly-proliferating network of exchanges (in other words, a market). He rejected the British attempt to base money on the objective certainty of a gold

standard, since this reinforced a notion of money as something outside our individual or collective control. He saw it rather as a symbol of our interdependence, locating its value in the trust that comes from membership in society. Like Marx, he identified a parallel between the abstraction of money prices in commodity exchange and the abstraction of thought (scientific analysis) that represents the highest level of our cognitive interaction with the world.

For Simmel, there is no objective truth, no absolute on which we can hang our faith in existence. All we have are the subjective judgements we have made over time. Truth is relative to its application. Similarly, the value of commodities is not based on some objective standard, but is merely the outcome of what people are willing to pay in relation to all the other goods and services they want, given the resources at their disposal. Money is the means of making these complex calculations. This was roughly the position of the new marginalist economics of the day.[3] So money is the common measure of value uniting all the independent acts of exchange, stabilising the volatile world of commodity exchange, much as Durkheim thought society lent stability to the fluctuations of everyday life. Money, of course, is itself relative; but Simmel thought it represents an element of coherence in a world of constantly shifting prices. We are not yet ready to face the complex relativity of the real world, and so take comfort from money's symbolic steadiness. Most people prefer to believe that there is something out there we can rely on. If God is dead and Society has been killed off by the economists, then let Money be something real and enduring.

An anthropological analysis of money: the euro

The euro is a decisive break with the past, symbolising the birth of a new social order. Or is it? In order to make sense of its impact on European societies, I choose to focus on money as both an idea and an object; as 'heads and tails' or the interplay of states and markets; as memory, a meaningful link between persons and communities; and as a source of economic democracy, when issued by the people.

Money as idea and object

Against the myth of money's origin in barter, Keynes (1930) asserts that states invented money. He distinguishes the way debts, prices or purchasing power are *expressed* (money as a unit of account, or money of account) from what is actually *discharged* or *held* (money as a medium of exchange, or money proper). Thus, money has an insubstantial form (money of account) and a substantial form (money proper); is always both an idea and an object, virtual and real. Smith and Marx stressed money's substantial form, money proper, but Keynes thought this was less important than the emergence of a formal, state-defined money of account. Once this existed, people began to transact business using both money proper, issued by the state, and the obligations of individuals and corporations. Presently, the bulk of these obligations are issued by banks; they far outweigh money proper in circulation, and Keynes calls them 'bank money'.

The essence of modern state money is that currency of little or no worth is offered to a people by its government in payment for real goods and services, is the sole legal means of exchange within the territory and is the required medium for payment of taxes. Central banks jealously guard the national monopoly, policing the banks who actually issue most of the money. During the last two centuries, state money has oscillated between being based on a commodity (such as gold) and being worthless ('fiat' or paper money). In practice most currencies are a hybrid. From the beginning, states and markets were symbiotic. States needed the revenues from taxation of trade and some exotic commodities as symbols of power; merchants needed the protection of law and the establishment of a public standard. Each rested on an individualised concept of society: the state on society centralised as a single agency, merchants on private property in commodities and money. Society conceived of as people belonging to specific communities and associations was excluded.

Heads or tails?

Take a look at any coin. It has two sides. One contains a symbol of political authority, most commonly the head of a ruler, hence *heads*. The other tells us what it is worth, its quantitative value in exchange for other commodities. Rather less obviously, this is called *tails*. The two sides are related to each other as top to bottom. One carries the virtual authority of the state; it is a token of society, the money of account. The other says that money proper is itself a commodity, lending precision to trade; it is a real thing (this section draws on Hart 1986).

There is an obvious tension between the two sides that goes far deeper than appearances may suggest. Victorian civilisation based its market economy on money as a commodity, gold (Polanyi 1944); in the twentieth-century political management of money became normal for a time, but then became anathema again. Now there is talk again of 'the markets' reigning supreme and of states losing control over national currencies in a process of globalisation. Yet the evidence of our coinage is that both states and markets are (or *were*) indispensable to money. What states and markets share is a commitment to founding the economy on impersonal money. If you drop the coin, the person who picks it up can do exactly the same as you with it. Impersonal money, maintaining its value as a commodity across borders, made long-distance trade possible between people who did not know each other. Today this

impersonality of money proper is what recommends it to people who prefer their transactions to be secret.

Keynes tried to explain that modern money must be the managed outcome of the interplay between states and markets. But what if money came from the people instead? Some have said that it does. The German romantic, Adam Müller (1931 [1816]), argued that money expressed the accumulated customs of a nation or people (*Volk*); others, such as Walter Bagehot (1999 [1873]) and Simmel (1978 [1900]), conceived of money as an expression of trust within civil society, locating value in personal management of credit and debt. In an age of electronic money, other possibilities present themselves (Hart 2001), for money is principally a way of keeping track of what people do with one another. It is above all information, a measure of transactions. Money need not be left to the death struggle of the disembodied twins, states and markets. In short, money might become more meaningful than it has been of late.

The meaning of money

The word 'money' comes from Juno Moneta, whose temple in Rome was where coins were *minted*, and most European languages retain 'money' for coinage. Moneta was the goddess of memory and mother of the Muses. Her name was derived from the Latin verb *moneo*, whose first meaning is 'to remind, bring to one's recollection'. For the Romans, money, like the arts, was an instrument of collective memory that needed divine protection. As such, it was both a memento of the past and a sign of the future.

A lot more circulates by means of money than the goods and services it buys. Money conveys meanings and these tell us a lot about the way human beings make communities (Buchan 1997). It expresses both individual desires and the way we belong to each other. We need to understand better how we build the infrastructures of collective existence. How do meanings come to be shared and memory to transcend the minutiae of personal experience? Memory played an important part in John Locke's philosophy of money (Caffentzis 1989). Persons, by performing labour on the things given to us by nature in common, made them their own. But to sustain a claim on this property, they have to remain the same. Property must endure in order to be property and that depends on memory. So, money enables individuals to stabilise their personal identity by holding something durable that embodies the desires and wealth of all members of society. I would go further. Communities exist by virtue of their members' ability to exchange meanings that are substantially shared between them. People form communities to the extent that they understand one another for practical purposes. And that is why communities operate through culture (meanings held in common). Money is, with language, the most important vehicle for this collective sharing.

Communities operate through implicit rules (customs) rather than state-made laws. If they regulate their members, they usually do so informally, relying on the sanction of exclusion rather than punishment. In the nineteenth century, few believed that the state, an archaic institution of agrarian civilisation, could govern the restless energies of urban commercial society. Accordingly, 'primitive' communities were studied to throw light on the task of building modern societies according to democratic principles. Since the First World War, the state has often seemed inevitable and small-scale alternatives hardly relevant. However, nowadays the networks of market economy, amplified by the internet and fast transport, offer more direct access to the world at large than centralised states, and cheap information allows relations at a distance to be made more personal. There is a call for devolution to less rigidly organised 'communities' or regions. It is time to think again about how societies might be organised for their own development.

The meaning of money is that each of us makes it, separately and together. It is a symbol of our individual relationship to the community. This relationship may be conceived of, much as the state would have it, as a durable ground on which to stand, anchoring identity in a collective memory whose concrete symbol is money. Or it may be viewed as a more creative process where we each generate the personal credit linking us to society in the form of multiple communities. This requires us to accept that society rests on nothing more solid than the transient exchanges we participate in. And that is a step few people are prepared to take at present.

People's money

Future generations may well conclude that we are passing through a cumulative tax revolt of proportions not seen since the end of the Roman empire (Weber 1974 [1909]). Revenue collection, both by government and corporations, depends on the ability to force people to pay through the threat of punishment; and territorial monopoly is indispensable to both. This, for all their conflicts of interest, underlies the continuing alliance between corporations and governments. The issue is whether borderless trade at the speed of light will permit governments and corporations still to compel payment of their dues.

States are too big for the small things and too small for the big things. Central powers will be devolved to regional or local government bodies, since people are more likely to fund public projects nearer to home. At the same time, they will seek out more inclusive institutions (federations, international networks and single-issue pressure groups) better suited to addressing global problems. The territorial dimension of society will therefore devolve to more local units. These will retain a modified ability to coerce revenues from their members, at a level limited by the sanction of personal mobility. Support for

projects beyond the local level will be voluntary because of the scope for evading unwanted taxes.

How might public economies be organised without effective means of coercing payment? Some Swiss cantons have recently released their stock exchanges from state supervision, because they could not make good a threat to punish offenders. They have encouraged exchanges to draw up their own rules with the principal sanction of excluding transgressors. This example is likely to become much more widespread with the erosion of territorial power. People will then have to turn to their own forms of association and to more informal means of regulation. We could participate in many forms of money and in the circuits of exchange corresponding to them (Greco 2001).[4]

Modern bureaucracy, as embodied in law, markets and science, has undermined the meaningful attachment of persons to the social order of which they are a part. It follows that, when bureaucracy fails, the means of personal connection will have to be reinvented. There are many antecedents for building communities on the basis of individual members' moral and religious commitment. The growth of non-governmental organisations financed by charitable donations supports such an idea. Mauss (1990 [1925]) was far-sighted when he sought to trace the foundations of the modern economy back to its origin in the gift, rather than barter. This is consistent with the idea of money as personal credit, linked less to the history of state coinage than to the acknowledgement of private debt. The need to keep track of proliferating connections with others is then mediated by money as a means of collective memory.

People will voluntarily enter circuits of exchange based on special currencies. At the other extreme, we shall be able to participate as individuals in global markets, using international moneys such as the euro, electronic payment systems or even direct barter via the internet. It will be a world whose plurality of association, even fragmentation, will resemble feudalism more than the Roman empire. In such a world, one currency cannot possibly meet all the needs of a diversified region's inhabitants. The changing technical form of money has exposed the limitations of central banks, reduced now to maintaining a national monopoly whose economic inadequacy is exposed on all sides. In response, people have started generating their own money, offering individuals a variety of community currencies linked by increasingly-sophisticated electronic payment systems.

The euro

The evolution of money proper is towards ever-more insubstantial versions, from precious metals to paper notes to ledger entries to electronic digits. Money is revealed as pure information; and its function as money of account takes precedence over its form as circulating objects or currency. The euro began life in a wholly virtual form, as money of account, without an objective existence as currency. During this time, it lost over 20 per cent of its value against the dollar. This gave the arrival of the notes and coins, in January 2002, a tangible objectivity in a world of runaway intangibles, a symbol of a new political era. But since the participating currencies had been joined in the European Monetary Union for a decade, the euro has made little difference to people's experience of money either as an idea or as an object.

Has the euro altered the balance between states and markets? The euro may not be a national currency, but it does aim to be federal, like the US dollar, and the twelve participating countries represent a league of states. Joining a larger currency bloc is a way of trying to cope with 'the markets', the global tide of virtual money that threatens to swamp the independence of national economies. But the euro is still a form of state money, and one even less democratically accountable than its national precursors. It is a throwback to the Bretton Woods era of fixed exchange rates. If government of modern societies from a fixed central point has always been anomalous, this is even more likely to be true of Europe in the near future. Its constituent states will come under pressure for more flexible instruments of economic management. The euro cannot do the job all by itself.

If money is memory, then the euro provokes very long memories indeed. Its advent was celebrated by commentators as a return to a cohesion not seen since the Roman empire. Whatever we may think of Rome's political system, the promise of overcoming the fragmentation of European sovereignty inherited from feudalism is indeed the huge symbolic prize conferred by monetary union. The European Union is a community, not a state; and its founding principle of subsidiarity ensures that there is room for many levels of community underneath. European unity is valuable; but there is room for less-inclusive monetary instruments to complement the euro, just as French or Parisian identity is hardly erased by a cross-border currency.

Money of account is the key to its social significance and, after several thousand years of state money linked to scarce commodities, it will take some effort to embrace another form, people's money. Digitalisation encourages a growing separation between society and landed power, but the euro involves only a limited break with the territorial principle. Its logic is still that of a central bank monopoly within an expanded territory. At best, the national governments will be more constrained in their ability to raise taxes beyond the regional norm. And, of course, travellers will be less subject than before to usurious exchange costs. Against this, management of the European economy from a single point will impose stresses on regions ill-suited to the common monetary policy. And people will still finance governments and the banks through the imposition of a monopoly currency as sole legal tender. We can make our own money, rather than pay for the privilege of receiving it from our

rulers. Already community currencies are breaking new ground, thanks to the possibilities inherent in the new information technologies. The next chapter of monetary history will be written by such approaches. But the euro will probably be with us for as long as Europeans think of themselves as a community with common purposes.

Notes

1. Akin and Robbins (1999) present a rich collection of ethnographic essays on money in Melanesia, but there is no attempt to engage with economic theory.
2. See my website, www.thememorybank.co.uk, for a version of the text.
3. The marginalist revolution is attributed to Stanley Jevons (England), Carl Menger (Austria) and Léon Walras (Switzerland) in the 1870s, but Alfred Marshall (1979 [1890]) was the main instrument of its diffusion.
4. I have benefited greatly from the knowledge of Michael Linton, who invented the most widespread type of community currency, known as LETS, in British Columbia in 1982 (see www.openmoney.org).

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