

The Problem is Money

About the authors and their positions

We are an ad hoc group of authors from the open email list demonetize.it

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1. What is the key idea of demonetization?

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The key idea of demonetization is to free ourselves from monetary relations: the market, buying and selling, have to be considerably reduced, and eventually abolished, to create a better society. This is only possible through conscious and participatory forms of co-operation.

Demonetization's theoretical perspective is ultimately descended from that of Karl Marx, albeit with feminist and ecological modifications. A basic insight of the demonetization perspective is that money, exchange and value are historical social forms, creations of society that are not eternal, but only appear to be because they are deeply ingrained by our socialization as individuals and in our everyday lives. If we look beyond money, there is in fact a range of approaches to choose from for sharing resources, planning work, distributing products, and making decisions. Visions of a moneyless economy are diverse, and include concepts such as the commons, peer production, worker self-management, stigmergy (a type of 'emergent self-organization')¹ and voluntary co-operation, as well as gift economies and the solidarity economy.

Though demonetization is narrowly defined, advocates diverge on its consequences, normative issues such as the understanding of freedom and happiness, the conception of an ethically just society, and what transitional methods are legitimate, effective or feasible.

Demonetization implies going beyond the exchange of so-called 'equivalents' in general and the idea of a common standard of value. Arguments for demonetization share the basic proposition that money and exchange of equivalents (markets) limit the potential of society to satisfy the needs of all – contrary to many movements that see money as a neutral tool for free exchange. These arguments are the topic of the next section.

Markets, Money and Growth Cannot Be Separated

The potential to produce is driven by social needs and constrained by various factors, such as the availability of raw materials, technologies, knowledge and socio-political rules. But in a market economy, the extent of pro-

¹ According to Wikipedia, stigmergy „is a mechanism of indirect coordination, through the environment, between agents or actions. The principle is that the trace left in the [environment](https://en.wikipedia.org/wiki/Environment) by an action stimulates the performance of a next action, by the same or a different agent. In that way, subsequent actions tend to reinforce and build on each other, leading to the spontaneous emergence of coherent, apparently systematic activity.”
<https://en.wikipedia.org/wiki/Stigmergy> (21 November 2016).

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duction, labor conditions and the types of products are governed by consumers' purchasing power and business owners' expectations of profit. Fulfilling concrete human needs is not the main aim or criterion for success. Hunger, lack of shelter, social exclusion, psychological frustration and other human suffering are compatible with monetized production. In many cases, the material and technological resources required to prevent such suffering are available – as with hunger and preventable diseases – but the market is unable to deploy those resources because the people who would benefit do not have enough money. Such suffering is an unavoidable outcome of a monetized economy, where those who invest decide exactly what is produced, how and for whom. Production takes place only *by* those with money, and only *for* those who have the money and desire to purchase – not on the basis of real needs.

Furthermore, the need to earn money, 'make money', to spend money and balance our accounts become key to our feelings of self-worth and status as individuals. Competition is a necessary feature of a free market; agents do not create products according to social needs but rather become workers in private firms producing for sale with the aim of making profits. Monetary, economic and financial crises are intricately linked to the lack of coordination of production and distribution in a monetized economy: just because a product is made does not mean it will sell. This systematic overproduction leads to waste as well as unmet needs in market economies. At the same time, it leads to breakdowns, be it single enterprises, entire sectors or economies as a whole. So called 'disruptive' processes and 'innovations' create invisible scars in the social fabric which are rarely healed and also destroy cultural traditions as well as society's overall ability to plan.

By monetarily accounting for the whole process of production, managers are most concerned with optimizing their own income and wealth despite the related ecological and social outcomes. Therefore, in a monetized economy, it is hard to conceive of degrowth as a conscious and socially legitimate reduction of economic throughput and activity, since this would entail a massive financial loss. Yet, currently, in advanced economies degrowth is a necessity for the sustainable use of the planet's limited resources.

It is important to note that these criticisms apply to any society based on a system on monetary exchange (that is, any market economy). In a market economy, all production depends upon capital. It makes no difference whether this capital is obtained on credit, with or without interest, whether it is managed by the state, by private firms or by co-operatives, or whether money is denominated in a local currency or a national or international one. Social needs would still be ignored, competition would still lead to overproduction and crisis, and degrowth would lead to a financial loss, which would threaten the whole process of production. Only a demonetized society is capable of degrowth.

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Visions of a Moneyless Economy

The idea of abolishing money is not new. In the Socialist movement, both Marxists and Anarchists have promoted an economy without money or exchange, as has the Zeitgeist movement, but it is important to note that they do not use the 'demonetization' label to describe themselves. Similarly, Free/Libre Open Source Software favors free sharing over exchange and monetary gain, without labelling itself 'demonetarist'. Those that do use the label 'demonetization' aim to bring money and exchange back to the forefront of attention – for example, counteracting market socialism with non-market socialism, and by highlighting these existing demonetarist tendencies.

This also means that demonetarists do not offer a unified vision of a moneyless economy – what it could look like and how it could work – since demonetization is primarily a 'discourse intervention' and not a vision of a future system. For example, anarcho-communists – basing their theory on the works of Peter Kropotkin, Errico Malatesta and Mikhail Bakunin – advocate replacing money with an agro-industrial federation, based on voluntary cooperation between producers to meet social needs. The ideas of workers' self-management and accountable systems of delegation are key to their approach. Meanwhile, the modern Open Source movement has no revolutionary vision – but it is possible to extrapolate the tendencies we see in peer production. Commons-based peer production could be generalized to society as a whole, using for example the concept of stigmergy ('self-selection') to distribute labor. Yet another approach is the gift economy – an economic form well-attested in human societies of the past and present, which might be either the basis of a moneyless economic system, or an adjunct to it.

Most visions of demonetization reject coercive methods and propose solutions beyond the state. Nevertheless, there are differences of opinion about the balance between collective and individual freedoms in a demonetized society.

Regardless of the details, a demonetized economy is based on production for use rather than production for profit. This means ecological factors can be taken into consideration when making production decisions. It means that overproduction is avoided, as producers cooperate with each other to meet demand based on people's needs. It also allows people's overall working time to be reduced, as they no longer have a constant need to earn as much money as they can to feel secure or better than others. In short, the growth imperative is structurally eliminated. These are the factors which would allow a demonetized economy to realize the goals of degrowth.

Demonetization – A Cross-Cutting Issue

Advocates have different reasons for demonetization.

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Attention is often called to gender relations and to what has been called ‘structural patriarchy’, separating two spheres of society, one associated with the construct of woman and femininity (the non-monetary sector), the other one with man and masculinity (the monetary sector). Hence it is argued that the money economy is intricately linked to the gender binarity. The money economy needs the household and care economies, which are forced upon biologically defined women and constructed as aspects of femininity. At the same time, household and care economies are dominated, exploited and devalued.

Alternatively, there may be a focus on the potential of human expression that is limited by a money economy, such as compulsion to commercialize inventions, rather than freely share our creativity, and desires for cooperation, conviviality, sensuality and enjoyment of life (not paid work). Others who advocate demonetization focus on environmental issues, which are related to the degrowth debate. Contemporary non-market socialists combine social and environmental limitations and inefficiencies of the market to argue for a society beyond money.

2. Who is part of demonetize, what do they do?

Practical and Academic

A community or society sharing resources and skills according to needs is the original vision of communism. This vision has a long historical record and dates back at least to the Middle Ages. From the 20th century, demonetized practices appeared within the early Kibbutz movement that began in 1910 in Israel. During the Spanish Revolution of 1936-1939, money was abolished in many areas, and replaced either with free stores of goods or with various kinds of voucher or rationing systems.

Under the influence of Otto Neurath – who argued against a common standard of value and for a socialism based on a ‘natural economy’ – Soviet revolutionaries (1918–1921) seriously discussed the possibility of instituting a moneyless economy, some advocating for a unit of account based on labor time or energy (effort). Meanwhile Soviet accountants persisted in using the depreciating ruble as a unit of account and Lenin’s New Economic Policy halted all talk of socialism without money. Money became a tool of state policy and structured the unequal power between workers and party elites.

Later, in the great economic debate (1963–1965) in Cuba, Che Guevara (supported by Ernest Mandel) argued against money, markets, and material incentives and for a new consciousness, voluntary labor and moral incentives. Guevara criticised the Soviet wage system and argued that, in as much as the state sector directly managed resources, labor and their product, no money or prices were necessary. However, in the transition, he suggested a

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temporary budgetary system in which money did feature, in its essential function, as a unit of account. Having lost the debate, he left Cuba but, later in 1967, Castro credited his position saying: 'We want to demystify money, not to rehabilitate it. We even intend to abolish it completely.'

More important for practical reasons are demonetized practices in recent periods of history, which were often linked to protest movements, those following the events of 1968 being a prominent example. For instance, as part of the hippie and counter-culture movement in San Francisco during the 1960s, the legendary anonymous group called the *Diggers* (referring to the historical Diggers movement from the English Civil War, 1642-1649) practiced free kitchens and medical care based on donations and voluntary labor. In the course of labor struggles in Italy in the 1970s, appropriation of goods and basic services such as shelter and electricity dispensed with the principle of exchange. More recently, visions of demonetization based on existing practices were mentioned in pamphlets like *The Coming Insurrection* (Invisible Committee 2008) or *Research and Destroy* (2008). Discussions and attempts at practicing demonetization also played a role in the context of Bolivarian Socialism in Venezuela.

Some movements propagating a demonetization approach refuse to be labelled as left-wing (or as right-wing), for example the Zeitgeist movement. Zeitgeist propagates the vision of a so-called 'resource-based' post-scarcity economy where nobody is forced to work and there is enough

for everyone. While this vision sounds nice enough, the specific ideas of the Zeitgeist movement are not without their problems. They seem to believe that the 'right' use of computers and technology can bring plenty and harmony, but have little to say about whether such technological solutions wouldn't create their own problems and lead to new exclusions. They also seem somewhat blasé about the ecological effects of their vision, though they maintain that it would be sustainable. Zeitgeist has occasionally been accused of propagating structural antisemitism, but it seems that such accusations are based more on prejudices than on facts. In this context, it's important to point out that the movement is unrelated to the first 'Zeitgeist' movie made by the controversial filmmaker Peter Joseph -- only Joseph's later sequels served as inspiration.²

To our knowledge, demonetization is mainly promoted as a radical way of thinking by white academics or members of the middle class not working at university. We suppose that they are mainly downwardly mobile advocates or supporters filling the ranks of precarious labor. As a set of social initiatives, the range of social agents involved in non-monetary practices is much broader, reaching from the poorest and most discriminated members of societies mainly in the global South to the technologically most advanced and

² *The editors of Degrowth in Movement(s) regard the Zeitgeits-Movement as problematic for a variety of reasons. However, in the spirit of transparency and a culture of open debate, they have decided not to insist on deleting this reference.*

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economically privileged milieus of the 'creative class' centered in the global North. On the theoretical side this implies an asymmetry in terms of race, but balance concerning gender in terms of the composition of respective milieus (but not necessarily the power relations between genders) on both the theoretical and practical sides. In Austria and Germany there are weak links to queer feminist currents in middle class milieus. Anecdotal evidence seems to show that younger generations are particularly interested in demonetization, as became obvious for instance at the Solidarity Economy congress in Vienna 2013.

3. How do you see the relationship between demonetization and Degrowth?

Broad Alliances - Solidarity Economies, Commons and Subsistence Economies

In contributions to the degrowth debate, demonetization stresses the role of money, exchange and value in enabling, driving and forcing economic growth, which is coupled to growing resource use and many (other) social and ecological problems. This role is also reflected in social practices that promote degrowth. Against this backdrop, demonetization and degrowth seem appropriately positioned for mutual influence that may strengthen their respective agendas.

The demonetization perspective has to be distinguished from the seemingly similar, but very different approach centered around the critique of interest. The critique of interest, which was first and most prominently formulated by Pierre Joseph Proudhon and Silvio Gesell, locates the basic problem of the monetized economy not in money, exchange and value as such, but rather in interest charged on private loans or on the public creation of money. In this perspective, the problem is not competition as such, but crises caused by the inability to repay interest, thus resembling liberal and neoliberal approaches to economy and society. This leads to a vision of a market economy without interest. While some degrowth supporters controversially identify interest charged on loans as the basic problem and advocate its abolition, demonetization advocates argue that this does not go far enough and would not ensure a degrowth economy.

Three movements are important for the demonetization perspective in particular: solidarity economies, commons, and subsistence economies. These do not necessarily denote separate social practices, but rather refer to different theoretical discourses, political framings, and organizational approaches.

On the one hand, the broad variety of analytic, strategic and visionary approaches makes alliances with other social movements and theoretical cur-

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rents easy, but entails the danger of weakening the prime goal of demonetization. On the other hand, the narrow definition of its ultimate goal keeps the central issue of demonetization clearly circumscribed and probably makes it hard to be co-opted by agents that stand in the way of emancipatory social change. While it seems that alliance building is the advantage of degrowth as a discourse, demonetization is a reminder of the need for radical social change, and of the possibility to start this change here and now.

4. Which suggestions do they have to each other?

Radicalizing the Message of Degrowth

We propose to sharpen the degrowth discourse through the lens of demonetization, in a way that may radicalize its core message or its way of raising questions. Unlike debates about the role of lifestyle or ethical consumerism and investment, or those who trust in political regulation or in the power of individual or small-scale behavioural change (in terms of frugality or sufficiency), demonetization proposes to lay the emphasis on debating the conditions and forces of harmful economic growth as they are related to money, exchange and value. Furthermore, demonetization may inspire degrowth debates due to its richness in utopian models.

Degrowth, on the other hand, may raise interest within demonetization debates and initiatives to make the ecological question more central.

5. Outlook: Space for visions, suggestions or wishes

A Unified Anti-Capitalist Movement?

A practical movement for social transformation may involve the creation of new 'demonetized spaces' within the capitalist economy. The Free/Libre Open Source Software movement is often cited as an example of this, along with various other peer-to-peer technologies that put knowledge and creative works increasingly outside of the market economy, where free content licenses protect them – in theory – from commodification. Various other projects in the solidarity economy can also be mentioned. Those may include community-supported agriculture, surplus food distribution, income-sharing housing communes and others. Yet these movements are very isolated from each other. The Open Source movement, for example, claims no association with anti-capitalism, much less a perspective like demonetization, even though it counts as an example of how moneyless economics can work.

To aim for radical social change, it would be necessary to link these kinds of projects together. Developing a serious anti-capitalist tendency would require that projects co-operate to gradually demonetize their operations – to remove them from the market altogether. For example, free software and

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free content licenses can be used to prevent the commercialization of software and digital media, creating a digital commons. It's less clear how a similar process can be promoted for the physical world, to create a commons of land and housing, for example.

Being positioned against money and exchange, demonetization is necessarily an anti-capitalist perspective, and indeed, it draws much of its theoretical background and proponents from Marxism and from Anarchism. Yet in the twenty-first century, despite the global economic crisis, the traditional labor movement is surprisingly weak, at least among the general population in Western countries. What we have now is far from the visions of an international and inclusive labor movement with the capacity to carry out a global, co-ordinated insurrection against the capitalist order, despite the globalized nature of the market economy. With such a diversity of approaches and perspectives it remains to be seen whether a unified anti-capitalist movement will re-emerge.

Links and Literature

Links

Acts of Sharing: <http://welcome.actsofsharing.com/>

Searching for the new in the old: <http://keimform.de>

Demonetize it!: <http://demonetize.it>

Society after money – opening a dialogue: <http://nach-dem-geld.de>

EXIT! – Crisis and critique of the commodity society: <http://exit-online.org>

Without money (Austria): <http://geldlos.at/>

Crisis – critique of the commodity society: <http://krisis.org>

Mundraub – Platform for fruit in public spaces: www.mundraub.org

Streifzüge: <http://streifzuege.org>

World Socialist Movement: <http://www.worldsocialism.org/>

Applied as well as further literature

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