



SACRED ECONOMICS

MONEY, GIFT & SOCIETY
IN THE AGE OF TRANSITION

REVISED

CHARLES EISENSTEIN

author of *Climate—A New Story* and
The More Beautiful World Our Hearts Know Is Possible

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INTRODUCTION

The purpose of this book is to make money and human economy as sacred as everything else in the universe.

Today we associate money with the profane, and for good reason. If anything is sacred in this world, it is surely not money. Money seems to be the enemy of our better instincts, as is clear every time the thought “I can’t afford to” blocks an impulse toward kindness or generosity. Money seems to be the enemy of beauty, as the disparaging term “a sellout” demonstrates. Money seems to be the enemy of every worthy social and political reform, as corporate power steers legislation toward the aggrandizement of its own profits. Money seems to be destroying the earth, as we pillage the oceans, the forests, the soil, and every species to feed a greed that knows no end.

From at least the time that Jesus threw the money changers from the temple, we have sensed that there is something unholy about money. When politicians seek money instead of the public good, we call them corrupt. Adjectives like “dirty” and “filthy” naturally describe money. Monks are supposed to have little to do with it: “You cannot serve God and mammon.”

At the same time, no one can deny that money has a mysterious, magical quality as well, the power to alter human behavior and coordinate human activity. From ancient times thinkers have marveled at the ability of a mere mark to confer this power upon a disk of metal or slip of paper. Unfortunately, looking at the world around us, it is hard to avoid concluding that the magic of money is an evil magic.

Obviously, if we are to make money into something sacred, nothing less than a wholesale revolution in money will suffice, a transformation of its essential nature. It is not merely our attitudes about money that must change, as some self-help gurus would have us believe; rather, we will create new *kinds* of money that embody and reinforce changed attitudes. *Sacred Economics* describes this new money and the economy that will coalesce around it. It also explores the metamorphosis in human identity that is both a cause and a result of the transformation of money. The changed attitudes of which I speak go all the way to the core of what it is to be human: they include our understanding of the purpose of life, humanity's role on the planet, the relationship of the individual to the human and natural community; even what it is to be an individual, a self. After all, we experience money (and property) as an extension of our selves; hence the possessive pronoun "mine" to describe it, the same pronoun we use to identify our arms and heads. My money, my car, my hand, my liver. Consider as well the sense of violation we feel when we are robbed or "ripped off," as if part of our very selves had been taken.

A transformation from profanity to sacredness in money—something so deep a part of our identity, something so central to the workings of the world—would have profound effects indeed. But what does it mean for money, or anything else for that matter, to be sacred? It is in a crucial sense the opposite of what sacred has come to mean. For several thousand years, the concepts of sacred, holy, and divine have referred increasingly to something separate from nature, the world, and the flesh. Three or four thousand years ago the gods began a migration from the lakes, forests, rivers, and mountains into the sky, becoming the imperial overlords of nature rather than its essence. As divinity separated from nature, so also

it became unholy to involve oneself too deeply in the affairs of the world. The human being changed from a living embodied soul into its profane envelope, a mere receptacle of spirit, culminating in the Cartesian mote of consciousness observing the world but not participating in it, and the Newtonian watchmaker-God doing the same. To be divine was to be supernatural, nonmaterial. If God participated in the world at all, it was through miracles—divine intercessions violating or superseding nature’s laws.

Paradoxically, this separate, abstract thing called spirit is supposed to be what animates the world. Ask the religious person what changes when a person dies, and she will say the soul has left the body. Ask her who makes the rain fall and the wind blow, and she will say it is God. To be sure, Galileo and Newton appeared to have removed God from these everyday workings of the world, explaining it instead as a clockwork, a vast machine of impersonal force and mass, but even they still needed the Clockmaker to wind it up in the beginning, to imbue the universe with the potential energy that has run it ever since. This conception is still with us today as the Big Bang, a primordial event that is the source of the “negative entropy” that allows movement and life. In any case, our culture’s notion of spirit is that of something separate and nonworldly, that yet can miraculously intervene in material affairs, and that even animates and directs them in some mysterious way.

It is hugely ironic and hugely significant that the one thing on the planet most closely resembling the foregoing conception of the divine is money. It is an invisible, immortal force that surrounds and steers all things, omnipotent and limitless, an “invisible hand” that, it is said, makes the world go ’round. Yet, money today is an abstraction, at most symbols on a piece of paper but usually mere bits in a computer. It exists in a realm far removed from materiality.

In that realm, it is exempt from nature's most important laws, for it does not decay and return to the soil as all other things do, but is rather preserved, changeless, in its vaults and computer files, even growing with time thanks to interest. It bears the properties of eternal preservation and everlasting increase, both of which are profoundly unnatural. The natural substance that comes closest to these properties is gold, which does not rust, tarnish, or decay. Early on, gold was therefore used both as money and as a metaphor for the divine soul, that which is incorruptible and changeless.

Money's divine property of abstraction, of disconnection from the real world of things, reached its extreme in the early years of the twenty-first century as the financial economy lost its mooring in the real economy and took on a life of its own. The vast fortunes of Wall Street were unconnected to any material production, seeming to exist in a separate realm.

Looking down from Olympian heights, the financiers called themselves "masters of the universe," channeling the power of the god they served to bring fortune or ruin upon the masses, to literally move mountains, raze forests, change the course of rivers, cause the rise and fall of nations. But money has proved to be a capricious god. Periodically (most recently in 2008 and perhaps soon again) the financial priesthood seems to lose control of its own magic. The power they have wielded turns around to control them, and none of their incantations (called "signaling to the markets") or their rituals (like lowering interest rates) can put the genie back in the bottle. Like the clergy of a dying religion, they exhort their followers to greater sacrifices while blaming their misfortunes either on sin (greedy bankers, irresponsible borrowers) or on the mysterious whims of God (the financial markets). But some are already blaming the priests themselves.

What we call recession, an earlier culture might have called “spirit abandoning the world.” In a recession, money disappears, and with it the animating force of the human realm. Machines stand idle. Factories grind to a halt; construction equipment sits derelict in the yard; parks and libraries close down; and millions go homeless and hungry while housing units stand vacant and food rots in the warehouses. Yet all the human and material inputs to build the houses, distribute the food, and run the factories still exist. It is rather something immaterial, that animating spirit, which has fled. What has fled is money. That is the only thing missing, so insubstantial (in the form of electrons in computers) that it can hardly be said to exist at all, yet so powerful that without it, human productivity grinds to a halt. On the individual level as well, we can see the demotivating effects of lack of money. Consider the stereotype of the unemployed man, nearly broke, slouched in front of the TV in his undershirt, drinking a beer, hardly able to rise from his chair. Money, it seems, animates people as well as machines. Without it we are *dispirited*.

We do not realize that our concept of the divine has attracted to it a god that fits that concept, and given it sovereignty over the earth. By divorcing soul from flesh, spirit from matter, and God from nature, we have installed a ruling power that is soulless, alienating, ungodly, and unnatural. So when I speak of making money sacred, I am not invoking a supernatural agency to infuse sacredness into the inert, mundane objects of nature. I am rather reaching back to an earlier time, a time before the divorce of matter and spirit, when sacredness was endemic to all things.

And what is the sacred? I will not presume to define it, but I will name two of its aspects: uniqueness and relatedness. A sacred object or being is one that is special, unique, one of a kind. It is

therefore infinitely precious; it is irreplaceable. It has no equivalent, and thus no finite “value,” for value can be determined only by comparison. (Money, like all forms of measure, is a standard of comparison.)

Unique though it is, the sacred is nonetheless inseparable from all that went into making it, from its history, and from the place it occupies in the matrix of all being. You might be thinking now that really all things and all relationships are sacred. That may be true, but though we may believe that intellectually, we don't always feel it. Some things feel sacred to us, and some do not. Those that do, we call sacred, and their purpose is ultimately to remind us of the sacredness of *all* things.

Today we live in a world that has been shorn of its sacredness, so that very few things indeed give us the feeling of living in a sacred world. Mass-produced, standardized commodities, cookie-cutter houses, identical packages of food, and anonymous relationships with institutional functionaries all deny the uniqueness of the world. The distant origins of our things, the anonymity of our relationships, and the lack of visible consequences in the production and disposal of our commodities all deny relatedness. Thus we live without the experience of sacredness. Of course, of all things that deny uniqueness and relatedness, money is foremost. The very idea of a coin originated in the goal of standardization, so that each drachma, each stater, each shekel, and each yuan would be functionally identical. Moreover, as a universal and abstract medium of exchange, money is divorced from its origins, from its connection to matter. A dollar is the same dollar no matter who gave it to you. We would think someone childish to put a sum of money in the bank and withdraw it a month later only to complain, “Hey, this isn't the same money I deposited! These bills are different!”

By default then, a monetized life is a profane life, since money and the things it buys lack the properties of the sacred. What is the difference between a supermarket tomato and one grown in my neighbor's garden and given to me? What is different between a prefab house and one built with my own participation by someone who understands me and my life? The essential differences all arise from specific relationships that incorporate the uniqueness of giver and receiver. When life is full of such things, made with care, connected by a web of stories to people and places we know, it is a rich life, a nourishing life. Today we live under a barrage of sameness, of impersonality. Even customized products, if mass-produced, offer only a few permutations of the same standard building blocks. This sameness deadens the soul and cheapens life.

The presence of the sacred is like returning to a home that was always there and a truth that has always existed. It can happen when I observe an insect or a plant, hear a symphony of birdsongs or frog calls, feel mud between my toes, gaze upon an object beautifully made, apprehend the impossibly coordinated complexity of a cell or an ecosystem, witness a synchronicity or symbol in my life, watch happy children at play, or am touched by a work of genius. Extraordinary though these experiences are, they are in no sense separate from the rest of life. Indeed, their power comes from the glimpse they give of a realer world, a sacred world that underlies and interpenetrates our own.

What is this "home that was always there," this "truth that has always existed"? It is the truth of the unity or the connectedness of all things, and the feeling is that of participating in something greater than oneself, yet that also *is* oneself. In ecology, this is the principle of interdependence: that all beings depend for their survival on the web of other beings that surrounds them, ultimately

extending out to encompass the entire planet. The extinction of any species diminishes our own wholeness, our own health, our own selves; something of our very being is lost.

If the sacred is the gateway to the underlying unity of all things, it is equally a gateway to the uniqueness and specialness of each thing. A sacred object is one of a kind; it carries a unique essence that cannot be reduced to a set of generic qualities. That is why reductionist science seems to rob the world of its sacredness, since everything becomes one or another combination of a handful of generic building blocks. This conception mirrors our economic system, itself consisting mainly of standardized, generic commodities, job descriptions, processes, data, inputs and outputs, and—most generic of all—money, the ultimate abstraction. In earlier times it was not so. Tribal peoples saw each being not primarily as a member of a category, but as a unique, enspirited individual. Even rocks, clouds, and seemingly identical drops of water were thought to be sentient, unique beings. The products of the human hand were unique as well, bearing through their distinguishing irregularities the signature of the maker. Here was the link between the two qualities of the sacred, connectedness and uniqueness: unique objects retain the mark of their origin, their unique place in the great matrix of being, their dependency on the rest of creation for their existence. Standardized objects, commodities, are uniform and therefore disembedded from relationship.

In this book I will describe a vision of a money system and an economy that is sacred, that embodies the interrelatedness and the uniqueness of all things. No longer will it be separate, in fact or in perception, from the natural matrix that underlies it. It reunites the long-sundered realms of human and nature; it is an extension of ecology that obeys all of its laws and bears all of its beauty.

Within every institution of our civilization, no matter how ugly or corrupt, there is the germ of something beautiful: the same note at a higher octave. Money is no exception. Its original purpose is simply to connect human gifts with human needs, so that we might all live in greater abundance. How instead money has come to generate scarcity rather than abundance, separation rather than connection, is one of the threads of this book. Yet despite what it has become, in that original ideal of money as an *agent of the gift* we can catch a glimpse of what will one day make it sacred again. We recognize the exchange of gifts as a sacred occasion, which is why we instinctively make a ceremony out of gift giving. Sacred money, then, will be a medium of giving, a means to imbue the global economy with the spirit of the gift that governed tribal and village cultures, and still does today wherever people do things for each other outside the money economy.

Sacred Economics describes this future and also maps out a practical way to get there. Long ago I grew tired of reading books that criticized some aspect of our society without offering a positive alternative. Then I grew tired of books that offered a positive alternative that seemed impossible to reach: “We must reduce carbon emissions by 90 percent.” Then I grew tired of books that offered a plausible means of reaching it but did not describe what I, personally, could do to create it. *Sacred Economics* operates on all four levels: it offers a fundamental analysis of what has gone wrong with money; it describes a more beautiful world based on a different kind of money and economy; it explains the collective actions necessary to create that world and the means by which these actions can come about; and it explores the personal dimensions of the world transformation, the change in identity and being that I call “living in the gift.”

A transformation of money is not a panacea for the world's ills, nor should it take priority over other areas of activism. A mere rearrangement of bits in computers will not wipe away the very real material and social devastation afflicting our planet. Yet, neither can the healing work in any other realm achieve its potential without a corresponding transformation of money, so deeply is it woven into our social institutions and habits of life. The economic changes I describe are part of a vast, all-encompassing shift that will leave no aspect of life untouched.

Humanity is only beginning to awaken to the true magnitude of the crisis on hand. If the economic transformation I will describe seems unreachable, that is because nothing less than a miracle is needed to heal our world. In all realms, from money to ecological healing to politics to technology to medicine, we need solutions that exceed the present bounds of the possible. Fortunately, as the old world falls apart, our knowledge of what is possible expands, and with it expands our courage and our willingness to act. The present convergence of crises—in money, energy, education, health, water, soil, climate, politics, the environment, and more—is a birth crisis, expelling us from the old world into a new. Unavoidably, these crises invade our personal lives, our world falls apart, and we too are born into a new world, a new identity. This is why so many people sense a spiritual dimension to the planetary crisis, even to the economic crisis. We sense that “normal” isn't coming back, that we are being born into a new normal: a new kind of society, a new relationship to the earth, a new experience of being human.

I dedicate all of my work to the more beautiful world our hearts tell us is possible. I say our “hearts,” because our minds sometimes tell us it is not possible. Our minds doubt that things will ever be much

different from what experience has taught us. You may have felt a wave of cynicism, contempt, or despair as you read my description of a sacred economy. You might have felt an urge to dismiss my words as hopelessly idealistic. Indeed, I myself was tempted to tone down my description, to make it more plausible, more responsible, more in line with our low expectations for what life and the world can be. But such an attenuation would not have been the truth. I will, using the tools of the mind, speak what is in my heart. In my heart I know that an economy and society this beautiful are possible for us to create—and indeed that anything less than that is unworthy of us. Are we so broken that we would aspire to anything less than a sacred world?

PART I

THE ECONOMICS OF SEPARATION

The converging crises of our time all arise from a common root that we might call Separation. Taking many forms—the human/nature split, the disintegration of community, the division of reality into material and spiritual realms—Separation is woven into every aspect of our civilization. It is also unsustainable: it generates great and growing crises that are propelling us into a new era, an age of Reunion.

Separation is not an ultimate reality, but a human projection, an ideology, a story. As in all cultures, our defining Story of the People has two deeply related parts: a Story of Self and a Story of the World. The first is the discrete and separate self: a bubble of psychology, a skin-encapsulated soul, a biological phenotype driven by its genes to seek reproductive self-interest, a rational actor seeking economic self-interest, a physical observer of an objective universe, a mote of consciousness in a prison of flesh. The second is the story of Ascent: that humanity, starting from a state of ignorance and powerlessness, is harnessing the forces of nature and probing the secrets of the universe, moving inexorably toward our destiny of complete mastery over, and transcendence of, nature. It

is a story of the separation of the human realm from the natural, in which the former expands and the latter is turned progressively into resources, goods, property, and, ultimately, money.

Money is a system of social agreements, meanings, and symbols that develops over time. It is, in a word, a story, existing in social reality along with such things as laws, nations, institutions, calendar and clock time, religion, and science. Stories bear tremendous creative power. Through them we coordinate human activity, focus attention and intention, define roles, and identify what is important and even what is real. Stories give meaning and purpose to life and therefore motivate action. Money is a key element of the story of Separation that defines our civilization.

Part I of this book illuminates the economic system that has arisen on the foundation of the story of Separation. Anonymity, depersonalization, polarization of wealth, endless growth, ecological despoliation, social turmoil, and irremediable crisis are built into our economic system so deeply that nothing less than a transformation of our defining Story of the People will heal it. My intention is that by identifying the core features of the economics of Separation, we may be empowered to envision an economics of Reunion as well, an economics that restores to wholeness our fractured communities, relationships, cultures, ecosystems, and planet.

CHAPTER 1

THE GIFT WORLD

Even after all this time

The sun never says to the earth,

“You owe Me.”

Look what happens

with a love like that,

It lights the Whole Sky.

—Hafiz

In the beginning was the Gift.

We are born helpless infants, creatures of pure need with little resource to give, yet we are fed, we are protected, we are clothed and held and soothed, without having done anything to deserve it, without offering anything in exchange. This experience, common to everyone who has made it past childhood, informs some of our deepest spiritual intuitions. Our lives are *given* us; therefore, our default state is gratitude. It is the truth of our existence.

Even if your childhood was horrific, if you are reading this right now, at least you were given enough to sustain you to adulthood. For the first years of life, none of this was anything you earned or produced. It was all a gift. Imagine walking out the door right now and finding yourself plunged into an alien world in which you were completely helpless, unable to feed or clothe yourself, unable to use your limbs, unable even to distinguish where your body ends and the world begins. Then huge beings come

and hold you, feed you, take care of you, love you. Wouldn't you feel grateful?

In moments of clarity, perhaps after a narrow brush with death, or upon accompanying a loved one through the death process, we know that life itself is a gift. We experience an overwhelming gratitude at being alive. We walk in wonderment at the riches, undeserved and freely available, that come with life: the joy of breathing, the delights of color and sound, the pleasure of drinking water to quench thirst, the sweetness of a loved one's face. This sense of mixed awe and gratitude is a clear sign of the presence of the sacred.

We feel the same reverence and gratitude when we apprehend the magnificence of nature, the miraculous complexity and order of an ecosystem, an organism, a cell. They are impossibly perfect, far beyond the capacity of our minds to conceive, to create, even to understand more than a tiny part of. Yet they exist, without our ever having to design them: an entire world to sustain and environ us. We don't have to understand exactly how a seed germinates and grows; we don't have to make it happen. Even today, the workings of a cell, an organism, an ecosystem are largely a mystery. Without needing to engineer it, without needing even to understand its inner workings, we still receive nature's fruits. Can you imagine the wonder, the gratitude, of our early ancestors as they contemplated the undeserved riches the world gave them so freely?

No wonder ancient religious thinkers said that God made the world, and no wonder they said God gave the world to us. The first statement is an expression of humility, the second of gratitude. Sadly, later theologians twisted this realization to mean "God gave us the world to exploit, to master, to dominate." Such an interpretation is contrary to the spirit of the original realization. Humility knows that this Gift is beyond our ability to master.

Gratitude knows that we honor, or dishonor, the giver of a gift by how we use it.

Modern cosmology also affirms the mythological recognition of universe-as-gift. Is not the Big Bang something (indeed everything) for nothing?¹ This feeling is strengthened by closer examination of the various constants of physics (speed of light, electron mass, relative strengths of the four fundamental forces, etc.), all of which inexplicably have the precise values necessary for a universe containing matter, stars, and life. It is as if the whole universe were constructed for us, so that we might exist.

In the beginning was the Gift: in the archetypal beginning of the world, at the beginning of our lives, and in the infancy of the human species. Gratitude therefore is natural to us, so primal, so elemental that it is very difficult to define. Perhaps it is *the feeling of having received a gift, and the desire to give in turn*. We might therefore expect premodern people, connected with this primal gratitude, to enact it in their social and economic relationships. Indeed, they did and do. Most accounts of the history of money begin with primitive barter, but barter is a relative rarity among hunter-gatherers. The most important mode of economic exchange was the gift.

Primal though it is, gratitude and the generosity flowing from it coexist with other, less savory, aspects of human nature. While I believe in the fundamental divinity of human beings, I also recognize that we have embarked on a long sojourn of separation from that divinity, and created a world in which ruthless sociopaths rise to wealth and power. This book doesn't pretend such people don't

1. Readers of *The Ascent of Humanity* know I prefer non-Big Bang cosmologies such as Halton Arp's dynamic steady-state universe, in which matter is continually born, grows old, and dies. But here, too, it appears spontaneously from nowhere, as if by a gift.

exist, nor that such tendencies don't exist in everyone. Rather, it seeks to awaken the spirit of the gift that is latent within us, and to construct institutions that embody and encourage that spirit. Human nature does not exist in isolation; it emerges in response to its context. Today's economic system elicits selfishness and greed. What would an economic system look like that, like some ancient cultures, elicited generosity instead?

Let us begin by better understanding the dynamics of the gift. I referred to economic *exchange* above, but that is generally not an accurate description of gift community. *Circulation* is a better word. Today we often exchange gifts, but gift *exchange* is already a step toward barter. In ancient communities, elaborate customs governed gift giving, customs that persist today in societies that have not completely lost their connection to the past. Usually gift networks are closely tied to kin networks. Customs dictate who gives to whom. To some kin categories you might be expected to give; from others you might expect to receive; and in others the gifts flow in both directions.

While gifts can be reciprocal, just as often they flow in circles. I give to you, you give to someone else . . . and eventually someone gives back to me. A famous example is the *kula* system of the Trobriand Islanders, in which precious necklaces circulate in one direction from island to island, and bracelets in the other direction. First described in depth by the anthropologist Bronislaw Malinowski, *kula*, which literally means "circle," is the linchpin of a vast system of gifts and other economic exchanges. Marcel Mauss describes it as follows:

The system of gift-through-exchange permeates all the economic, tribal, and moral life of the Trobriand people. It is "impregnated" with it, as Malinowski very neatly expressed it. It is a constant "give

and take.” The process is marked by a continuous flow in all directions of presents given, accepted, and reciprocated.²

While the pinnacle of the *kula* system is the highly ritualized exchange of ceremonial bracelets and necklaces by chiefs, the gift network surrounding it extends to all kinds of utilitarian items, food, boats, labor, and so forth. Outright barter, according to Mauss, is unusual. In any event, “Generally, even what has been received and comes into one’s possession in this way—in whatever manner—is not kept for oneself, unless one cannot do without it.”³ In other words, gifts flow continuously, stopping in their circulation only when they meet a real, present need. Here is Lewis Hyde’s poetic description of this principle of the gift:

The gift moves toward the empty place. As it turns in its circle it turns toward him who has been empty-handed the longest, and if someone appears elsewhere whose need is greater it leaves its old channel and moves toward him. Our generosity may leave us empty, but our emptiness then pulls gently at the whole until the thing in motion returns to replenish us. Social nature abhors a vacuum.⁴

While today we clearly distinguish between a gift and a commercial transaction, in past times this distinction was by no means clear. Some cultures, such as the Toaripi and Namau, had but a single word to designate buying, selling, lending, and borrowing,⁵ while the ancient Mesopotamian word *šám* meant both “buy” and “sell.”⁶ This ambiguity persists in many modern languages.

2. Mauss, *The Gift*, 29.

3. Mauss, *The Gift*, 30.

4. Hyde, *The Gift*, 23.

5. Mauss, *The Gift*, 32.

6. Seaford, *Money and the Early Greek Mind*, 323.

Chinese, German, Danish, Norwegian, Dutch, Estonian, Bulgarian, Serbian, Japanese, and many others each have but a single term for borrowing and lending, perhaps a vestige of an ancient time when the two were not distinguished.⁷ It even persists in vernacular English, in which the word “borrow” is sometimes used to mean “lend,” as in “I borrowed him twenty dollars.” How could this be? How could the same word apply to two opposite operations?

The solution to this puzzle lies in the dynamics of the gift. With the rare, perhaps theoretical, exceptions that Jacques Derrida called “free gifts,” gifts are accompanied either by some token of exchange or by a moral or social obligation (or both). Unlike a modern money transaction, which is closed and leaves no obligation, a gift transaction is open-ended, creating an ongoing tie between the participants. Another way of looking at it is that the gift partakes of the giver, and that when we give a gift, we give something of ourselves. This is the opposite of a modern commodity transaction, in which goods sold are mere property, separate from the one who sells them. We all can feel the difference. You probably have some treasured items that were given you, that are perhaps objectively indistinguishable from something you might buy, but that are unique and special because of who gave them to you. Thus it was that ancient people recognized that a magical quality, a spirit, circulates along with gifts.

Useless objects like cowry shells, pretty beads, necklaces, and so on were the earliest money. To exchange them for something

7. The Chinese terms for buying and selling have nearly identical pronunciation and similar ideograms as well. The character for buying, 買, originated as a depiction of a cowry shell, an early form of money, while the character for selling, 賣, was developed later, suggesting an earlier nondistinction.

of utilitarian value is, naively speaking, merely a way to facilitate a gift—something for nothing. They turn it into something-for-something, but that doesn't make it any less a gift, because they are merely giving physical form to the felt sense of obligation; they are tokens of gratitude. From this perspective, the identity of buying and selling, borrowing and lending, is easy to understand. They are not opposite operations at all. All gifts circle back to the giver in another form. Buyer and seller are equal.

Today there is an asymmetry in commercial transactions, which identifies the buyer as the one giving money and receiving goods and the seller as the one receiving money and giving goods. But we could equally say the “buyer” is selling money for goods, and the “seller” is buying money with goods. Linguistic and anthropological evidence indicates that this asymmetry is new, far newer than money. What has happened to money, then, to create this asymmetry? Money is different from every other commodity in the world, and, as we shall see, it is this difference that is crucial in making it profane.

Gifts, on the other hand, we intuitively recognize as sacred, which is why even today we make ceremonies of giving presents. Gifts embody the key qualities of the sacredness I discussed in the introduction. First, uniqueness: unlike the standardized commodities of today, purchased in closed transactions with money and alienated from their origins, gifts are unique to the extent that they partake of the giver. Second, wholeness, interdependency: gifts expand the circle of self to include the entire community. Whereas money today embodies the principle “more for me is less for you,” in a gift economy, more for you is also more for me, because those who have give to those who need. Gifts cement the mystical realization of participation in something greater than oneself, which is

yet not separate from oneself. The axioms of rational self-interest change because the self has expanded to include something of the other.

The conventional explanation of how money developed that one finds in economics texts assumes barter as a starting point. From the very beginning, competing individuals seek to maximize their rational self-interest. This idealized description is not supported by anthropology. Barter, according to Mauss, was rare in Polynesia, rare in Melanesia, and unheard of in the Pacific Northwest. Economic anthropologist George Dalton emphatically concurs: “Barter, in the strict sense of moneyless exchange, has never been a quantitatively important or dominant model or transaction in any past or present economic system about which we have hard information.”⁸ The only instances of barter, says Dalton, were for petty, infrequent, or emergency transactions—just as is the case today. Aside from these, moneyless transactions scarcely resembled the impersonal, utility-maximizing transactions of economists’ fantasies, but rather “tended to require lasting (and sometimes ritualized) personal relationships sanctioned by custom and characterized by reciprocity.”⁹ Such transactions should not be called barter at all, but rather ritualized gift exchange.

Today we put gifts and purchases into separate, exclusive categories; to be sure, different economics and psychology apply to each. But very ancient times bore no such dichotomy, nor was there today’s distinction between a business relationship and a personal relationship. Economists, in telling the history of money, tend to project this modern distinction backward, and with it some deep

8. Dalton, “Barter,” 182.

9. Seaford, *Money and the Early Greek Mind*, 292.

assumptions about human nature, the self, and the purpose of life: that we are discrete and separate selves competing for scarce resources to maximize our self-interest. I won't say that these assumptions are not true. They are part of the defining ideology of our civilization, a Story of the People that is now drawing to a close. This book is part of the telling of a new Story of the People. The transformation of money is part of a larger transformation, founded on very different assumptions about self, life, and world.

Human economy is never very far from cosmology, religion, and the psyche. It was not only ancient economies that were based on gifts: ancient cosmology and religion were too. Today as well, our money with its qualities of standardization, abstraction, and anonymity is aligned with many other aspects of the human experience. What new scientific, religious, or psychological paradigms might arise in the context of a different kind of money?

If money did not arise from the economists' imaginary world of calculated, interest-maximizing barter, then how did it arise? In *Debt: The First 5,000 Years*, the anthropologist David Graeber describes a dual origin.¹⁰ The first was "social currencies": precious and ceremonial items used to rearrange relationships among human beings (marriages, funerals, blood money, and other social functions). This sort of money was not used to buy and sell things, and preceded the division of labor that necessitates money as we know it today.

The second root of money, and the first money used for commerce, took the form of credit: tallies of transactions and loans denominated in a common unit of account and periodically settled by delivery of various commodities. The conflation of these two different kinds of money led to debt peonage, slavery, the demotion of

10. Graeber, *Debt*.

women's status, and other iniquities that one might expect to happen when human relationships are mediated by the same currency as commercial transactions. Default on your debt, and you forfeit not only your property, but perhaps your children and your own person.

Graeber observes that behind the man with the ledger is always a man with a gun. Debt relations have always been power relations, and money has always been, and remains today, entwined with debt and therefore with violence.

Yet, at its core, money is a beautiful concept. Let me be naive for a moment so as to reveal this core, this spiritual (not historical) essence of money. I have something you need, and I wish to give it to you. So I do, and you feel grateful and desire to give something to me in return. But you don't have anything I need right now. So instead you give me a token of your gratitude—a useless, pretty thing like a wampum necklace or a piece of silver. That token says, "I have met the needs of other people and earned their gratitude." Later, when I receive a gift from someone else, I give them that token. Gifts can thereby circulate across vast social distances, and I can receive from people to whom I have nothing to give while still fulfilling my desire to act from the gratitude those gifts inspire within me.

On the level of a family, clan, or hunter-gatherer band, money is not necessary to operate a gift economy. Nor is it necessary in the next larger unit of social organization: the village or tribe of a few hundred people. There, if I don't need anything from you now, either you will (acting from gratitude) give me something that I will need in the future, or you will give to someone else, who gives to someone else, who gives to me. This is the "circle of the gift," the basis of community. In a tribe or village, the scale of society is small enough that those who give to me recognize my gifts to others. Such is not the case in a mass society like ours. If I give generously to you,

the farmer in Hawaii who grew my ginger or the engineer in Japan who designed my cellphone display won't know about it. So instead of personal recognition of gifts, we use money: the representation of gratitude. The social witnessing of gifts becomes anonymous.

Money becomes necessary when the range of our gifts must extend beyond the people we know personally. Such is the case when economic scale and the division of labor exceed the tribal or village level. Indeed, the first money appeared in the first agricultural civilizations that developed beyond the Neolithic village: Mesopotamia, Egypt, China, and India. Traditional, decentralized gift networks gave way to centralized systems of redistribution, with the temple, and later the royal palace, as the hub. Quite possibly, these evolved from potlatch-type traditions in which gifts flowed to chiefs and other leaders, and then back from them to their kin and tribe. Starting as centralized nodes for a large-scale flow of gifts, they soon diverged from the gift mindset as contributions became forced and quantified, and outward disbursement became unequal. Ancient Sumerian documents already speak of economic polarization, haves and have-nots, and wages that were barely at subsistence.¹¹ While centralized directives, and not market trade, governed the movement of goods,¹² the early agricultural empires also used what some call money: agricultural and metallic commodities in standard measured units that served as media of exchange, units of account, and stores of value. So already, four thousand years ago, money was failing to meet my naive expectation that it would create greater abundance for all by facilitating the meeting of gifts and needs.

11. Nemat-Nejat, *Daily Life in Ancient Mesopotamia*, 263.

12. Seaford, *Money and the Early Greek Mind*, 123. Seaford adduces persuasive evidence for this claim: early documents that took the form of lists, artwork showing processions of individuals bearing offerings, etc.

By facilitating trade, motivating efficient production, and allowing the accumulation of capital to undertake large-scale projects, money should enrich life: it should bestow upon us ease, leisure, freedom from anxiety, and an equitable distribution of wealth. Indeed, conventional economic theory predicts all of these results. The fact that money has become an agent of the opposite—anxiety, hardship, and polarization of wealth—presents us with a paradox.

If we are to have a world with technology, with cinema and symphony orchestras, with telecommunications and elaborate architecture, with cosmopolitan cities and world literature, we need money, or something like it, as a way to coordinate human labor on the vast scale necessary to create such things. I have therefore written this book, to describe a system that restores to money the sacredness of the gift. I say “restore” because from the earliest times, money has had sacred or magical connotations. Originally, it was the temples where agricultural surpluses were stored and redistributed: the center of religious life was also the center of economic life. Some authors claim that the earliest symbolic money (as opposed to commodity-money) was issued by temples and could be redeemed for sacred sex with temple prostitutes;¹³ in any event, it is certain that temples were deeply involved in issuing early coins, many of which bore the images of sacred animals and deities. This practice continues today with bills and coins bearing the likenesses of deified presidents.

Perhaps someday we won't need money to have a gift economy on the scale of billions of humans; perhaps the money I shall

13. Bernard Lietaer makes this claim in *The Future of Money* for a bronze shekel that he states is the earliest known coin, dating to 3000 BCE. I have found no other mention of this in my research, however. As far as I know, the earliest coins appeared in Lydia and China at about the same time, the seventh century BCE.

describe in this book is transitional. I am not a “primitivist” who advocates the abandonment of civilization, of technology and culture, of the gifts that make us human. I foresee rather the restoration of humanity to a sacred estate, bearing all the wholeness and harmony with nature of the hunter-gatherer time, but at a higher level of organization. I foresee the fulfillment, and not the abdication, of the gifts of hand and mind that make us human.

Notice how natural it is to describe our uniquely human attributes as gifts. In keeping with the gift’s universal principles, our human gifts partake of their Giver as well. In other words, they are divine gifts. Mythology bears this intuition out, from the Promethean gift of fire to the Apollonian gift of music, to the gift of agriculture from the Chinese mythological ruler Shen Nong. In the Bible, too, we are given not only the world, but the breath of life and our capacity to create—for we are made “in the image” of the Creator itself.

On the personal level as well, we sense that our individual gifts have a purpose. Moreover, we have an irrepressible desire to develop those gifts, and to give from them out into the world. Everyone has experienced the joy of giving and the selfless generosity of strangers. Ask for directions in a city, and most people are pleased to take time to help. It is in no one’s rational self-interest to give directions to a stranger; this is a simple expression of our innate generosity.

It is ironic indeed that money, originally a means of connecting gifts with needs, originally an outgrowth of a sacred gift economy, is now precisely what blocks the blossoming of our desire to give, keeping us in deadening jobs out of economic necessity, and forestalling our generous impulses with the words “I can’t afford to do that.” Modern humans live for the most part in an

omnipresent anxiety, borne of the scarcity of the money on which life depends—witness the phrase “the cost of living.” Our purpose for being, the development and full expression of our gifts, is mortgaged to the demands of money, to making a living, to surviving. Yet no one, no matter how wealthy, secure, or comfortable, can ever feel fulfilled in a life where those gifts remain latent. Even the best-paid job, if it does not engage our gifts, soon feels deadening, and we think, “I was not put here on earth to do this.”

Even when a job does engage our gifts, if the purpose is something we don’t believe in, the same deadening feeling of futility arises again, the feeling that we are not living our own lives, but only the lives we are paid to live. “Challenging” and “interesting” are not good enough, because our gifts are sacred, and therefore meant for a sacred purpose.

That we are indeed here on earth to do *something* is essentially a religious concept, for conventional biology teaches that we have evolved to be able to survive, that any effort toward something outside of survival and reproduction goes against our genetic programming. However, one can make a cogent case that the view of biology as consisting of myriad discrete, separate competing selves—organisms or “selfish genes”—is more a projection of our own present-day culture than it is an accurate understanding of nature.¹⁴ There are other ways of understanding nature that, while not ignoring its obvious competition, give primacy to cooperation, symbiosis, and the merging of organisms into larger wholes. This new understanding is actually quite ancient, echoing the indigenous understanding of nature as a web of gifts.

14. I sum up this argument in chapter 6 of *The Ascent of Humanity*, drawing on the work of Lynn Margulis, Bruce Lipton, Fred Hoyle, Elisabet Sahtouris, and others.

Each organism and each species makes a vital contribution to the totality of life on earth, and this contribution, contrary to the expectations of standard evolutionary biology, need not have any direct benefit for the organism itself. Nitrogen-fixing bacteria don't directly benefit from doing so, except that the nitrogen they give to the soil grows plants that grow roots that grow fungi, which ultimately provide nutrients to the bacteria. Pioneer species pave the way for keystone species, which provide microniches for other species, which feed yet other species in a web of gifts that, eventually, circle back to benefit the pioneer species. Trees bring up water to water other plants, and algae make oxygen so that animals can breathe. Remove any being, and the health of all becomes more precarious.

You may think me naive, with my “so that” reasoning. You may say it is just good luck that things work out so well: the trees don't care about watering the plants around them—they are in it for themselves, maximizing their chances to survive and reproduce. That they nourish other beings is an unintended side effect. The same for the algae, for the nitrogen-fixing bacteria, and for the bacteria inside ruminants that allow them to digest cellulose. This world, you might think, is everyone for himself. Nature is a cut-throat competition, and an economy that is the same is natural too.

I do not think it is natural. It is an aberration, a peculiar though necessary phase that has reached its extreme and is now giving way to a new one. In nature, headlong growth and all-out competition are features of immature ecosystems, followed by complex interdependency, symbiosis, cooperation, and the cycling of resources. The next stage of human economy will parallel what we are beginning to understand about nature. It will call forth the gifts of each of us; it will emphasize cooperation over competition;

it will encourage circulation over hoarding; and it will be cyclical, not linear. Money may not disappear any time soon, but it will serve a diminished role even as it takes on more of the properties of the gift. The economy will shrink, and our lives will grow.

Money as we know it is inimical to an economy manifesting the spirit of the gift, an economy we might call sacred. In order to know what kind of money could be a sacred currency, it will help to identify exactly what makes money into the force for greed, evil, scarcity, and environmental pillage that it is today.

Just as science often projects culture onto nature, so economics takes culturally determined conditions as axiomatic. Living in a culture of scarcity, we assume it as the basis of economics. As in biology, we have seen the world as a competition among separate selves for limited resources. Our money system, as we shall see, embodies this belief on a deep, structural level. But is this belief true? Do we live in a world, a universe, of basic scarcity? If not, why does it seem so? And if the true nature of the universe is abundance and the gift, then how did money become so unnatural?

CHAPTER 2

THE ILLUSION OF SCARCITY

With unabated bounty the land of England blooms and grows; waving with yellow harvests; thick-studded with workshops, industrial implements, with fifteen millions of workers, understood to be the strongest, the cunningest and the willingest our Earth ever had; these men are here; the work they have done, the fruit they have realized is here, abundant, exuberant on every hand of us: and behold, some baleful fiat as of Enchantment has gone forth, saying, "Touch it not, ye workers, ye master-workers, ye master-idlers; none of you can touch it, no man of you shall be the better for it; this is enchanted fruit!"

—Thomas Carlyle, *Past and Present*

It is said that money, or at least the love of it, is the root of all evil. But why should it be? After all, the purpose of money is, at its most basic, simply to facilitate exchange—in other words, to connect human gifts with human needs. What power, what monstrous perversion, has turned money into the opposite: an agent of scarcity?

For indeed we live in a world of fundamental abundance, a world where vast quantities of food, energy, and materials go to waste. Half the world starves while the other half wastes enough to feed the first half. In the Third World and our own ghettos, people lack food, shelter, and other basic necessities and cannot afford to buy them. Meanwhile, we pour vast resources into wars, plastic junk, and innumerable other products that do not serve

human happiness. Obviously, poverty is not due to a lack of productive capacity. Nor is it due to a lack of willingness to help: many people would love to feed the poor, restore nature, and do other meaningful work but cannot because there is no money in it. Money utterly fails to connect gifts and needs. Why?

For years, following conventional opinion, I thought the answer was “greed.” Why do sweatshop factories push wages down to the bare minimum? Greed. Why do people buy gas-guzzling SUVs? Greed. Why do pharmaceutical companies suppress research and sell drugs that they know are dangerous? Greed. Why do tropical fish suppliers dynamite coral reefs? Why do factories pump toxic waste into the rivers? Why do corporate raiders loot employee pension funds? Greed, greed, greed.

Eventually I became uncomfortable with that answer. For one thing, it plays into the same ideology of Separation that lies at the root of our civilization’s ills. It is an ideology as old as agriculture’s division of the world into two separate realms: the wild and the domestic, the human and the natural, the wheat and the weed. It says there are two opposing forces in this world, good and evil, and that we can create a better world by eliminating evil. There is something bad in the world and something bad in ourselves, something we must extirpate to make the world safe for goodness.

The war against evil imbues every institution of our society. In agriculture, it appears as the desire to exterminate wolves, to destroy all weeds with glyphosate, to kill all the pests. In medicine it is the war against germs, a constant battle against a hostile world. In religion it is the struggle against sin, or against ego, or against faithlessness or doubt, or against the outward projection of these things: the devil, the infidel. It is the mentality of purifying and purging, of self-improvement and conquest, of rising above

nature and transcending desire, of sacrificing oneself in order to be good. Above all, it is the mentality of control.

It says that once final victory over evil is won, we will enter paradise. When we eliminate all the terrorists or create an impenetrable barrier to them, we will be safe. When we develop an irresistible antibiotic and artificial regulation of body processes, we will have perfect health. When we make crime impossible and have a law to govern everything, we will have a perfect society. When you overcome your laziness, your compulsions, your addictions, you will have a perfect life. Until then, you are just going to have to try harder.

In the same vein, the problem in economic life is supposedly greed, both outside ourselves in the form of all those greedy people and within ourselves in the form of our own greedy tendencies. We like to imagine that we ourselves are not so greedy—maybe we have greedy impulses, but we keep them under control. Unlike *some* people! Some people don't keep their greed in check. They are lacking in something fundamental that you and I have, some basic decency, basic goodness. They are, in a word, Bad. If they can't learn to restrain their desires, to make do with less, then we'll have to force them to.

Clearly, the paradigm of greed is rife with judgment of others, and with self-judgment as well. Our self-righteous anger and hatred of the greedy harbor the secret fear that we are no better than they are. It is the hypocrite who is most zealous in the persecution of evil. Externalizing the enemy gives expression to unresolved feelings of anger. In a way, this is a necessity: the consequences of keeping them bottled up or directed inward are horrific. But there came a time in my life when I was through hating, through with the war against the self, through with the struggle to be good, and

through with the pretense that I was any better than anyone else. I believe humanity, collectively, is nearing such a time as well. Ultimately, greed is a red herring, itself a symptom and not a cause of a deeper problem. To blame greed and to fight it by intensifying the program of self-control is to intensify the war against the self, which is just another expression of the war against nature and the war against the other that lies at the base of the present crisis of civilization.

Greed makes sense in a context of scarcity. Our reigning ideology assumes it: it is built into our Story of Self. The separate self in a universe governed by hostile or indifferent forces is always at the edge of extinction, and secure only to the extent that it can control these forces. Cast into an objective universe external to ourselves, we must compete with each other for limited resources. Based on the story of the separate self, both biology and economics have therefore written greed into their basic axioms. In biology it is the gene seeking to maximize reproductive self-interest; in economics it is the rational actor seeking to maximize financial self-interest. But what if the assumption of scarcity is false—a projection of our ideology, and not the ultimate reality? If so, then greed is not written into our biology but is a mere symptom of the perception of scarcity.

An indication that greed reflects the *perception* rather than the reality of scarcity is that rich people tend to be less generous than poor people. In my experience, poor people quite often lend or give each other small sums that, proportionally speaking, would be the equivalent of half a rich person's net worth. Extensive research backs up this observation. A large 2002 survey by Independent Sector, a nonprofit research organization, found that Americans making less than \$25,000 per year gave 4.2 percent

of their income to charity, as opposed to 2.7 percent for people making more than \$100,000 per year. More recently, Paul Piff, a social psychologist at University of California–Irvine, found that “lower-income people were more generous, charitable, trusting and helpful to others than were those with more wealth.”¹ Piff found that when research subjects were given money to anonymously distribute between themselves and a partner (who would never know their identity), their generosity correlated inversely to their socioeconomic status.²

While it is tempting to conclude from this that greedy people become wealthy, an equally plausible interpretation is that wealth makes people greedy. Why would this be? In a context of abundance, greed is silly; only in a context of scarcity is it rational. The wealthy perceive scarcity where there is none. They also worry more than anybody else about money. Could it be that money itself *causes* the perception of scarcity? Could it be that money, nearly synonymous with security, ironically brings the opposite? The answer to both these questions is yes. On the individual level, rich people have a lot more “invested” in their money and are less able to let go of it. (To let go easily reflects an attitude of abundance.) On the systemic level, as we shall see, scarcity is also built into money, a direct result of the way it is created and circulated.

The assumption of scarcity is one of the two central axioms of economics. (The second is that people naturally seek to maximize their rational self-interest.) Both are false; or, more precisely, they are true only within a narrow realm, a realm that we, the frog at the bottom of the well, mistake for the whole of reality. As is

1. Warner, “The Charitable-Giving Divide.”

2. Piff et al., “Having Less, Giving More.”

so often the case, what we take to be objective truth is actually a projection of our own condition onto the “objective” world. So immersed in scarcity are we that we take it to be the nature of reality. But in fact, we live in a world of abundance. The omnipresent scarcity we experience is an artifact: of our money system, of our politics, and of our perceptions.

As we shall see, our money system, system of ownership, and general economic system reflect the same fundamental sense of self that has, built into it, the perception of scarcity. It is the “discrete and separate self,” the Cartesian self: a bubble of psychology marooned in an indifferent universe, seeking to own, to control, to arrogate as much wealth to itself as possible, but foredoomed by its very cutoff from the richness of connected beingness to the experience of never having enough.

The assertion that we live in a world of abundance may provoke an emotional reaction, on two counts. First, it seems to embody a privileged ignorance, when so much of the world faces extreme poverty, hunger, homelessness, and deprivation. More production will solve these problems, right? Wrong. We already produce more than we need to feed, house, and clothe everyone. The problem is not one of underproduction; it is one of maldistribution. In other words, the scarcity is real—but it is artificial.

A second objection is that harmonious human coexistence with the rest of life is impossible without a massive reduction in population. Advocates of this view cite Peak Oil and resource depletion, global warming, the exhaustion of our farmland, and our ecological footprint as evidence that the earth cannot long support industrial civilization at present population levels. It is true that human activity is vastly overburdening the earth today. Fossil fuels, aquifers, topsoil, the capacity to absorb pollution, and the ecosystems

that maintain the viability of the biosphere are all being depleted at an alarming rate. All the measures on the table are far too little, far too late—a drop in the bucket compared to what is needed.

On the other hand, an enormous proportion of this human activity is either superfluous or deleterious to human happiness. We could live a lot better with a lot less. Consider first the armaments industry and the resources consumed in war: some \$2 trillion a year, a vast scientific establishment, and the life energy of millions of young people, all to serve no need except one we create ourselves.

Consider the housing industry here in the United States, with the enormous McMansions of the last three decades that again serve no real human need. In some countries a building that size would house fifty people. As it is, the cavernous living rooms go unused, for people feel uncomfortable in their inhuman scale and seek out the comfort of the small den and the breakfast nook. The materials, energy, and maintenance of such monstrosities are a waste of resources. Perhaps even more wasteful is the layout of suburbia, which makes public transportation impossible and necessitates inordinate amounts of driving.

Consider the food industry, which exhibits massive waste at every level.³ According to a government study, farm-to-retail losses are about 4 percent, retail-to-consumer losses 12 percent, and consumer-level losses 29 percent.⁴ Moreover, vast tracts of farmland are devoted to biofuel production, not to mention the largest irrigated “crop” in North America: lawn grass, much of it growing on the continent’s richest soils. Food scarcity is clearly a product of culture and economics.

3. Spiker et al., “Wasted Food, Wasted Nutrients.”

4. Buzby et al., “Supermarket Loss Estimates.”

Such figures suggest the potential plenty available even in a world of eight billion people—but with a caveat: people will spend much more time (per capita) growing food, in a reversal of the trend of the last two centuries. Labor-intensive intercropping and other intensive (and sustainable) production techniques could vastly increase productivity.⁵ Few realize that organic agriculture can be more productive than conventional agriculture—per hectare, not per hour of labor.⁶ And intensive gardening can be more productive (and more labor-intensive) still. If you like gardening and think that most people would benefit from being closer to the soil, this is good news. With a few hours' work a week, a typical suburban garden plot of perhaps a thousand square feet can meet most of a family's vegetable needs; double that and it can provide substantial amounts of staples too, like potatoes, sweet potatoes, and squash. Is the vast transcontinental trucking system that brings California lettuce and carrots to the rest of the country really necessary? Does it enhance life in any way?

5. You can get some idea of the untapped potential of agriculture by reading F. H. King's fascinating 1911 book, *Farmers of Forty Centuries; Or, Permanent Agriculture in China, Korea, and Japan*, which explains how these regions sustained enormous populations for millennia on tiny amounts of land, without mechanization, pesticides, or chemical fertilizers. Instead, they relied on sophisticated crop rotation, interplanting, and ecological relationships among farm plants, animals, and people. They wasted nothing, including human manure. Their farming was extremely labor-intensive, although, according to King, it was usually conducted at a leisurely pace. In 1907 Japan's fifty million people were nearly self-sufficient in food; China's land supported, in some regions, clans of forty or fifty people on a three-acre farm; in the year 1790 China's population was about the same as that of the United States today!

6. LaSalle et al., *The Organic Green Revolution*, 4, citing numerous supporting studies. If you have the opposite impression, consider that many of the studies that show no benefit from organic agriculture are conducted by people with little experience with organic farming and on land that is impoverished from decades of chemical farming. Organic methods are not easily amenable to controlled studies because they properly involve a long-term relationship between farmer and land. It is only after years, decades, or even generations that the true benefits of organic agriculture become fully apparent.

Another type of waste comes from the shoddy construction and planned obsolescence of many of our manufactured goods. Presently there are few economic incentives, and some disincentives, to produce goods that last a long time and are easy to fix, with the absurd result that it is often cheaper to buy a new appliance than to repair an old one. This is ultimately a consequence of our money system, and it will be reversed in a sacred economy.

On my street, every family possesses a lawnmower that is used perhaps ten hours per summer and a leaf blower used two hours a year. At any given moment, about half the cars are parked on the street, doing nothing. Most families have their own hedge clippers, their own power tools, their own exercise equipment. Because they are unused most of the time, most of these things are superfluous. Our quality of life would be just as high with half the number of cars, a tenth of the lawnmowers, and two or three StairMasters for the whole street. In fact, it would be higher since we would have occasion to interact and share.⁷ Even at our current, gratuitously high rate of consumption, some 40 percent of the world's industrial capacity stands idle. That figure could be increased to 80 percent or more without any loss of human happiness. All we would lose would be the pollution and tedium of a lot of factory production. Of course, we would lose a vast number of "jobs" as well, but since these are not contributing much to human well-being anyway, we could employ those people digging holes in the ground and filling them up again with no loss. Or, better, we could devote them to labor-intensive roles like permaculture, care for

7. Unfortunately, many of us are so wounded that we prefer not to interact and share, but to retreat further into the hell of separation and the illusion of independence until its fabric unravels. As various crises converge and this happens to more and more people, the urge to restore community will grow.

the sick and elderly, restoration of ecosystems, and all the other needs of today that go tragically unmet for lack of money.

A world without weapons, without McMansions in sprawling suburbs, without mountains of unnecessary packaging, without giant mechanized monofarms, without energy-hogging big-box stores, without electronic billboards, without endless piles of throwaway junk, without the overconsumption of consumer goods no one really needs is not an impoverished world. I disagree with those environmentalists who say we are going to have to make do with less. In fact, we are going to make do with more: more beauty, more community, more fulfillment, more art, more music, and material objects that are fewer in number but superior in utility and aesthetics. The cheap stuff that fills our lives today, however great its quantity, can only cheapen life.

Part of the healing that a sacred economy represents is the healing of the divide we have created between spirit and matter. In keeping with the sacredness of all things, I advocate an embrace, not an eschewing, of materialism. I think we will love our things more and not less. We will treasure our material possessions, honor where they came from and where they will go. If you have a treasured baseball mitt or fishing rod, you may know what I'm talking about. Or perhaps your grandfather had a favorite set of woodworking tools that he kept in perfect condition for fifty years. That is how we will honor our things. Can you imagine what the world would be like if that same care and consideration went into everything we produced? If every engineer put that much love into her creations? Today, such an attitude is uneconomic; it is rarely in anyone's financial interest to treat a thing as sacred. You can just buy a new baseball mitt or fishing rod, and why be too careful with your tools when new ones are so cheap? The cheapness of our

things is part of their devaluation, casting us into a cheap world where everything is generic and expendable.

Amid superabundance, even we in rich countries live in an omnipresent anxiety, craving “financial security” as we try to keep scarcity at bay. We make choices (even those having nothing to do with money) according to what we can “afford,” and we commonly associate freedom with wealth. But when we pursue it, we find that the paradise of financial freedom is a mirage, receding as we approach it, and that the chase itself enslaves. The anxiety is always there, the scarcity always just one disaster away. We call that chase *greed*. Truly, it is a response to the perception of scarcity.

Let me offer one more kind of evidence, for now meant to be suggestive rather than conclusive, for the artificiality or illusory nature of the scarcity we experience. Economics, it says on page one of textbooks, is the study of human behavior under conditions of scarcity. The expansion of the economic realm is therefore the expansion of scarcity, its incursion into areas of life once characterized by abundance. Economic behavior, particularly the exchange of money for goods, extends today into realms that were never before the subject of money exchanges. Take, for example, one of the great retail growth categories in the last twenty years: bottled water. If one thing is abundant on earth to the point of near-ubiquity, it is water, yet today it has become scarce, something we pay for.

Child care has been another area of high economic growth in my lifetime. When I was young, it was nothing for friends and neighbors to watch each other’s kids for a few hours after school, a vestige of village or tribal times when children ran free. My ex-wife Patsy speaks movingly of her childhood in rural Taiwan, where children could and did show up at any neighbor’s house around

dinnertime to be given a bowl of rice. The community took care of the children. In other words, child care was *abundant*; it would have been impossible to open an after-school day care center.

For something to become an object of commerce, it must be made scarce first. As the economy grows, by definition, more and more of human activity enters the realm of money, the realm of goods and services. Usually we associate economic growth with an increase in wealth, but we can also see it as an impoverishment, an increase in scarcity. Things we once never dreamed of paying for, we must pay for today. Pay for using what? Using money, of course—money that we struggle and sacrifice to obtain. If one thing is scarce, it is surely money. Most people I know live in constant low-level (sometimes high-level) anxiety for fear of not having enough of it. And as the anxiety of the wealthy confirms, no amount is ever “enough.”

From this perspective, we must be cautious in our indignation at such facts as “More than two billion people live on less than two dollars a day.” A low cash income could mean that someone’s needs are met outside the money economy; for example, through traditional networks of reciprocity and gifts. “Development” in such cases raises incomes by bringing nonmonetary economic activity into the realm of goods and services, with the resulting mentality of scarcity, competition, and anxiety so familiar to us in the West, yet so alien to the moneyless hunter-gatherer or subsistence peasant.

Ensuing chapters explain the mechanisms and meaning of the centuries-old conversion of life and the world into money, the progressive commodification of everything. When everything is subject to money, then the scarcity of money makes everything scarce, including the basis of human life and happiness. Such is the life of the slave—one whose actions are compelled by threat to survival.

Perhaps the deepest indication of our slavery is the monetization of time. It is a phenomenon with roots deeper than our money system, for it depends on the prior quantification of time. An animal or a child has “all the time in the world.” The same was apparently true for Stone Age peoples, who usually had very loose concepts of time and rarely were in a hurry. Primitive languages often lacked tenses, and sometimes lacked even words for “yesterday” or “tomorrow.” The comparative nonchalance primitive people had toward time is still apparent today in rural, more traditional parts of the world. Life moves faster in the big city, where we are always in a hurry because time is scarce. But in the past, we experienced time as abundant.

The more monetized society is, the more anxious and hurried its citizens. In parts of the world that are still somewhat outside the money economy, where subsistence farming still exists and where neighbors help each other, the pace of life is slower, less hurried. In rural Mexico, everything is done *mañana*. A Ladakhi peasant woman interviewed in Helena Norberg-Hodge’s film *Ancient Futures* sums it all up in describing her city-dwelling sister: “She has a rice cooker, a car, a telephone—all kinds of time-saving devices. Yet when I visit her, she is always so busy we barely have time to talk.”

For the animal, child, or hunter-gatherer, time is essentially infinite. Today its monetization has subjected it, like the rest, to scarcity. Time is life. When we experience time as scarce, we experience life as short and poor.

If you were born before adult schedules invaded childhood and children were rushed around from activity to activity, then perhaps you still remember the subjective eternity of childhood, the afternoons that stretched on forever, the timeless freedom of life before the tyranny of calendar and clocks. “The clock,” writes

John Zerzan, “made time scarce and life short.”⁸ Once quantified, time too could be bought and sold, and the scarcity of all money-linked commodities afflicted time as well. “Time is money,” the saying goes, an identity confirmed by the metaphor “I can’t afford the time.”

If the material world is fundamentally an abundant world, all the more abundant is the spiritual world: the creations of the human mind—songs, stories, films, ideas, and everything else that goes by the name of intellectual property. Because in the digital age we can replicate and spread them at virtually no cost, artificial scarcity must be imposed upon them in order to keep them in the monetized realm. Industry and the government enforce scarcity through copyrights, patents, encryption standards, and “digital rights management,” allowing the holders of such property to profit from owning it.

Scarcity, then, is mostly an illusion, a cultural creation. But because we live, almost wholly, in a culturally constructed world, our experience of this scarcity is quite real—real enough that nearly a billion people today are malnourished, and some three million children die each year from hunger-related causes. So our responses to this scarcity—anxiety and greed—are perfectly understandable. When something is abundant, no one hesitates to share it. We live in an abundant world, made otherwise through our perceptions, our culture, and our deep invisible stories. Our perception of scarcity is a self-fulfilling prophecy. Money is central to the construction of the self-reifying illusion of scarcity.

Money, which has turned abundance into scarcity, engenders greed. But not money per se—only the kind of money we use

8. Zerzan, *Elements of Refusal*, 26.

today, money that embodies our cultural sense of self, our unconscious myths, and an adversarial relationship with nature thousands of years in the making. All of these things are changing today. Let us look, then, at how money came to so afflict our minds and ways, so that we might envision how the money system might change with them.

CHAPTER 3

MONEY AND THE MIND

*When all are isolated by egoism, there is nothing but dust,
and at the advent of a storm, nothing but mire.*

—Benjamin Constant

The power to induce a collective hallucination of scarcity is only one of the ways money affects our perceptions. This chapter will explore some of the deep psychological and spiritual effects of money: on the way we see the world, on our religion, our philosophy, even our science. Money is woven into our minds, our perceptions, our identities. That is why, when a crisis of money strikes, it seems that the fabric of reality is unraveling, too—that the very world is falling apart. Yet this is also cause for great optimism, because money is a social construction that we have the power to change. What new kinds of perceptions, and what new kinds of collective actions, would accompany a new kind of money?

Here we are on chapter 3, and I have not even defined “money” yet. The classical definition of money—a medium of exchange, a store of value, a unit of account—describes what money does, but not what it *is*. Physically, it is now next to nothing. Socially, it is next to everything. Money is a social object; money, one might say, is a story.

Conventional economic history claims that money began with its first function—medium of exchange—in the form of standard commodities such as barley, olive oil, cattle, or gold. In fact, as

David Graeber argues, these were used more as units of account to denominate ledgers and IOUs, and rarely as currency in themselves.¹ Contrary to the standard story, credit preceded cash in human history.

An important difference between cash and credit is that the value of cash is independent of the relationship between buyer and seller, whereas the value of credit depends on relationships. My dollar bill has the same value as your dollar bill, but my IOU may not have the same value as your IOU; it depends on our character, means, and community ties. A newcomer or layabout is likely to be a “person of little account.” Graeber describes how European towns right up through the Middle Ages operated mostly on credit: when kings called in the coinage for reminting, commerce proceeded as usual with everyone keeping track of who owed what to whom with various kinds of ledgers, tally sticks, and promissory notes.²

In times of social turmoil, credit ceases to function; as Graeber puts it, a heavily armed itinerant soldier is a poor credit risk. In the absence of social pressure or central authority, there are no mechanisms to ensure people will honor their debts. Such situations lend themselves to cash, be it commodity or coin.

The historical development of money is a long process of dissociating value from relationship. This dissociation culminated with the introduction of coinage in Greece in the seventh century BCE. That was arguably the first time that money became a distinct category of being. Henceforward, we could speak not only of what money does, but also of what it *is*.

1. Graeber, *Debt*.

2. Graeber, *Debt*.

Economists' folklore holds that coins were invented in order to provide a guarantee of weight and purity for the underlying commodity metal. Their value, this story goes, came entirely from the gold or silver from which they were made. In fact, like the barter origin of money, like the assumption of scarcity, this account of the origin of coinage is an economist's fantasy. It is a fantasy with an illustrious lineage to be sure. Aristotle wrote,

For the various necessities of life are not easily carried about, and hence men agreed to employ in their dealings with each other something which was intrinsically useful and easily applicable to the purposes of life, for example, iron, silver, and the like. Of this the value was at first measured simply by size and weight, but in process of time they put a stamp upon it, to save the trouble of weighing and to mark the value.³

This account seems quite reasonable, but historical evidence contradicts it. The very first coins, minted in Lydia, were made of electrum (a silver-gold alloy), which varied widely in consistency.⁴ Coinage quickly spread to Greece, where, even though coins were fairly consistent in weight and purity, they often had a value greater than the commodity value of the silver from which they were minted.⁵ Indeed, some city-states (including Sparta) minted coins from base metals like iron, bronze, lead, or tin: such coins had negligible intrinsic value but still functioned as money.⁶ In either case, stamped coins had a value (which, following historian Richard Seaford, we shall call the "fiduciary value") greater

3. Aristotle, *Politics*, book 1, part 9.

4. Seaford, *Money and the Early Greek Mind*, 132–33.

5. Seaford, *Money and the Early Greek Mind*, 137.

6. Seaford, *Money and the Early Greek Mind*, 139–45.