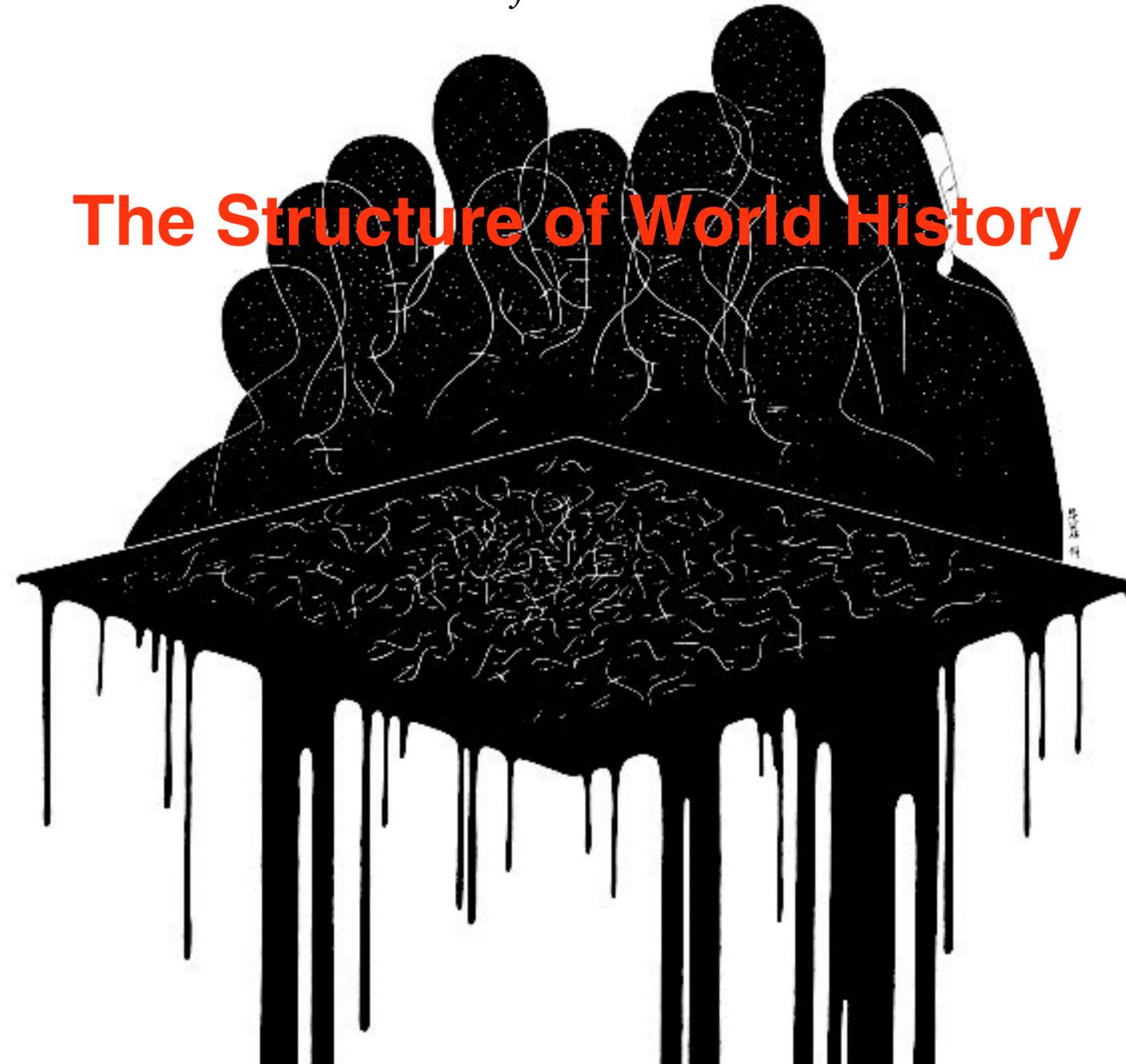


*Reading
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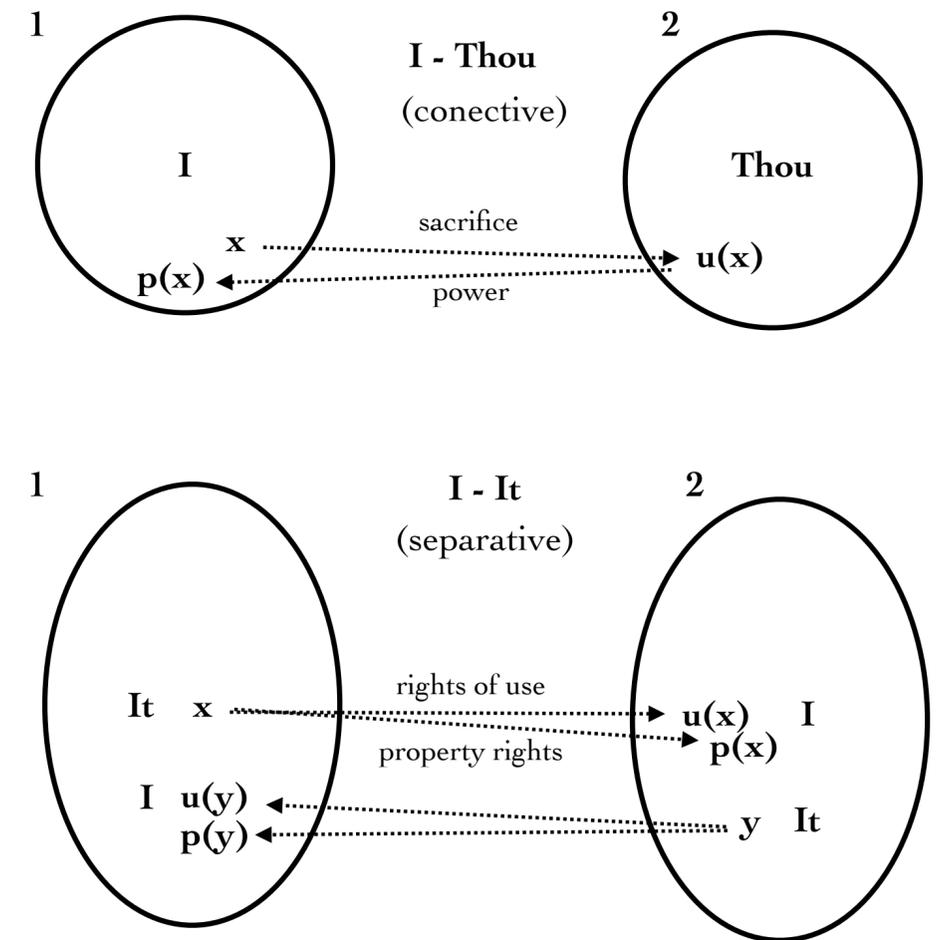
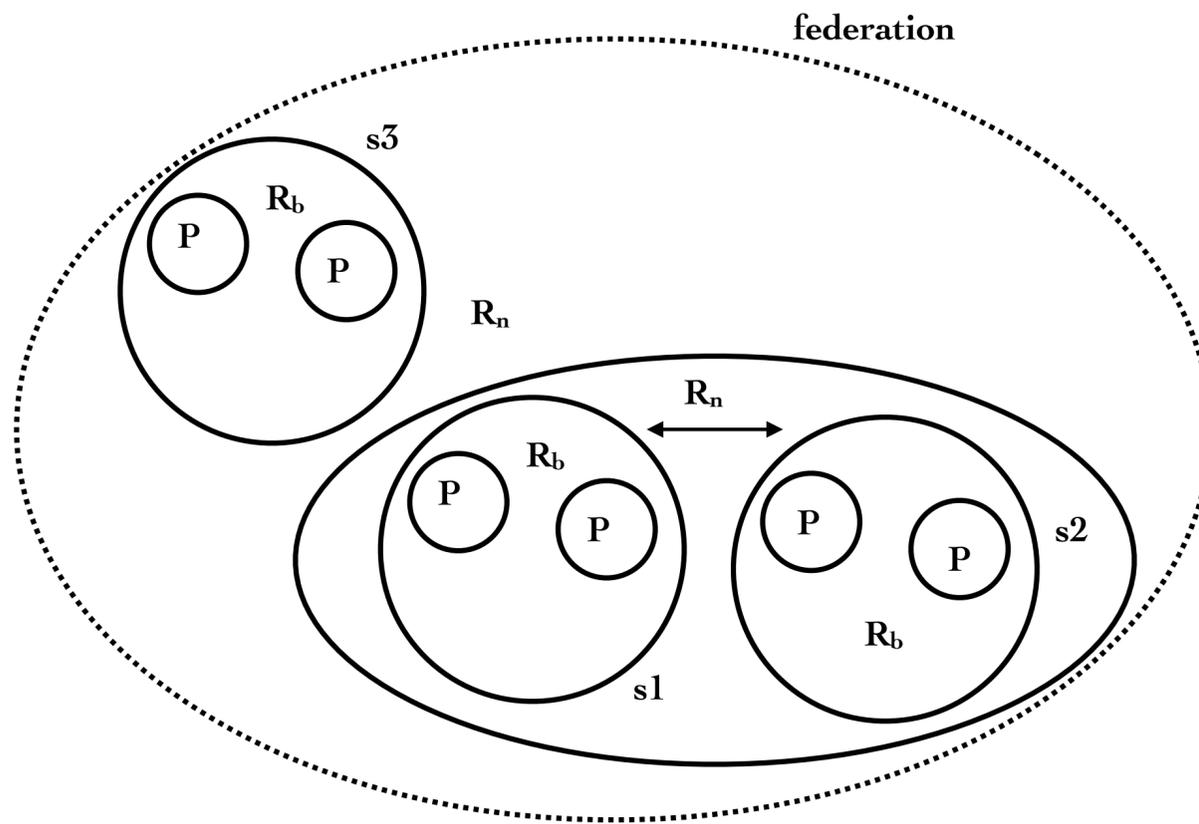
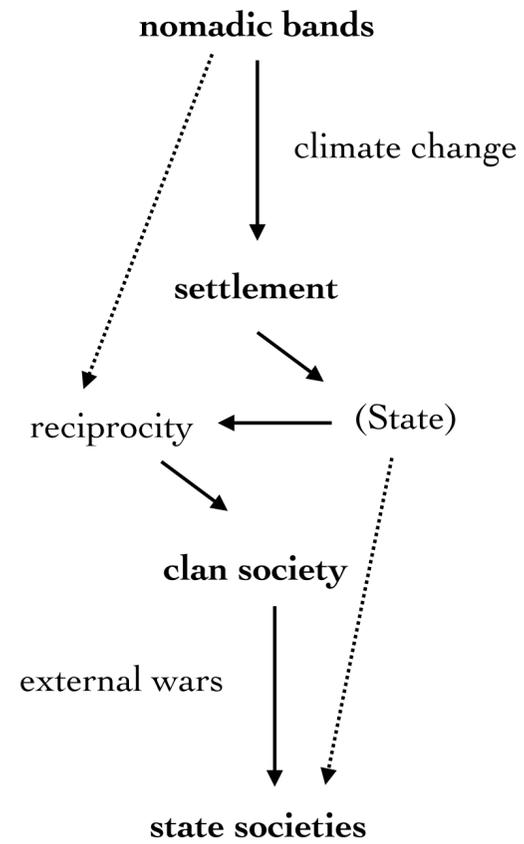
The Structure of World History



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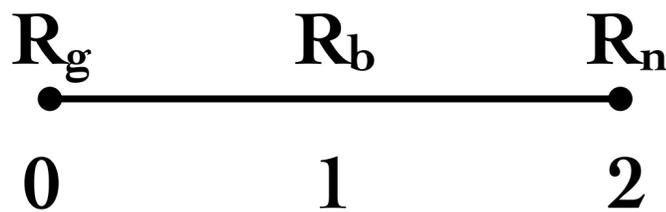
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In part I we examined the first epochal shift in the history of social formations: the establishment of the social formation in which mode of exchange A is dominant—clan society. In part II I explore the subsequent shift to a social formation in which mode of exchange B is dominant—the emergence of state society. To understand this we must first reject one widely accepted dogma: the concept, to cite one representative version, of a Neolithic Revolution (Agricultural Revolution) grounded in crop cultivation and herding, as propounded by V. Gordon Childe. According to this view, people first undertook agriculture and livestock herding and then adopted fixed settlement, and with the resulting expansion of production powers came the development of cities and the emergence of class divisions, all ultimately leading to the rise of the state.

I have already criticized this dogma. The adoption of fixed settlement preceded the rise of agriculture: crop cultivation and livestock herding were natural developments that followed from the adoption of sedentary settlement. The development of crop cultivation and livestock herding do not constitute a so-called agricultural revolution that results in the appearance of the state. Why? Because people do not entirely abandon the practices of the hunter-gatherer life even after they adopt fixed settlement. Moreover, through the principle of reciprocity they held in check the class divisions and accumulation of wealth that fixed settlement and stockpiling threatened to produce. The tribes and tribal confederations that emerged were characterized by a segmentary, stratified structure, so that even when these expanded in scale they could never become anything more than simple chiefdoms. Before the shift to a state proper could occur, another causal factor had to be introduced, because even with the spread of precipitation-based and irrigation-based forms of agriculture, people did not fundamentally abandon the lifestyles and principle of reciprocity that had persisted since the period of hunting and gathering. Therefore, we cannot conclude that the state form arose out of agriculture. If anything, the reverse is true: agriculture began from the state.

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The critique of the dogma of the “Neolithic Revolution” and the persistence of nomadic rituals in mode A

In *Capital* Marx begins his exploration of capitalist production not from the invention or deployment of machines but rather from the manufactures—that is, from the organization of labor that he called the division and combination of labor.¹ Machines had already long existed, but their practical widespread deployment came only with the development of manufactures. What this means is that, even more important than the machine itself was the way it fragmented and then recombined human labor—in other words, the way the machine transformed human labor into something machinelike. This meant the creation of a new kind of laborer, one unlike the earlier guild artisan, one who was capable of enduring the division and combination of labor. This was not easily accomplished, and it cannot be understood by solely looking at technologies of production.

The same thing can be said with regard to the Neolithic Revolution. It likewise cannot be explained solely through reference to the invention of the plow or other technologies of production. As Marshall Sahlins notes: “Extrapolating from ethnography to prehistory, one may say as much for the neolithic as John Stuart Mill said of all labor-saving devices, that never was one invented that saved anyone a minute’s labor. The neolithic saw no particular improvement over the paleolithic in the amount of time required per capita for the production of subsistence: probably with the advent of agriculture, people had to work harder.”² Sahlins is correct in this. But it is probably incorrect to claim that production power was increased solely by forcing people to work longer hours. It is a fact that labor-saving technologies were invented during this period: technologies for the organization of labor. In irrigation agriculture, the construction of irrigation channels is more important than agricultural labor. The labor required for this is of a different nature—not only from hunting and gathering but also from crop cultivation and farming. As Karl Wittfogel noted, this labor is closer to that of heavy industry.³ It requires discipline and a system of division and combination of labor that is capable of organizing large numbers of people. The Agricultural Revolution was brought about not by machines but rather by what Lewis Mumford calls the “mega-machine.” As Mumford notes, military organization and labor organization are at heart nearly identical.⁴

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Methodological note I: relations of production precede the means of production

In the terms of the relationship between technology and nature, the innovations achieved by ancient civilizations had little impact. But they were epochal in terms of the techniques for ruling over human beings. The archaeological distinction between the implements of the Bronze Age and the Iron Age was developed not so much in relation to means of production as it was to means of warfare (weapons) employed by the state. Moreover, by far the most important technology for ruling over people was the bureaucratic system. It is what frees people from personal relations and from relations of reciprocity. Likewise, an army becomes much stronger when it is organized into a chain-of-command system through the adoption of a bureaucratic order. This was also what made large-scale irrigation agriculture possible.

The technologies for ruling people don't rely on naked compulsion: instead, they install forms of discipline that make people voluntarily follow rules and work. In this regard, religion is of utmost importance. In *The Protestant Ethic and the Spirit of Capitalism*, Max Weber linked the work ethic to the Reformation, but we see something similar in ancient civilization. As Sahlins argues, people in hunter-gatherer societies spent few hours engaged in productive labor. If you want to take such people and mobilize them for public works or agricultural labor, simple compulsion alone will not suffice. What is needed is a voluntary sense of diligence. This transformation in work ethic took religious form. People were not simply coerced; they voluntarily undertook to work for the sake of their king-priest. Their industriousness was motivated not by force but by religious faith. Moreover, this was not a matter of empty words: the king-priest provided the farming population with military protection, while also compensating them through acts of redistribution.

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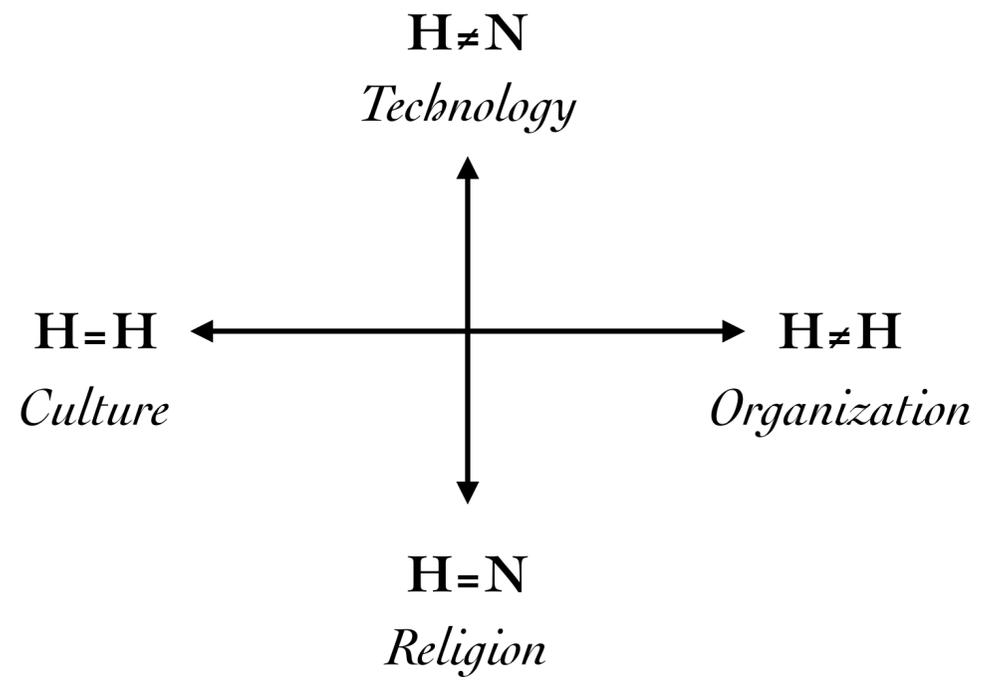
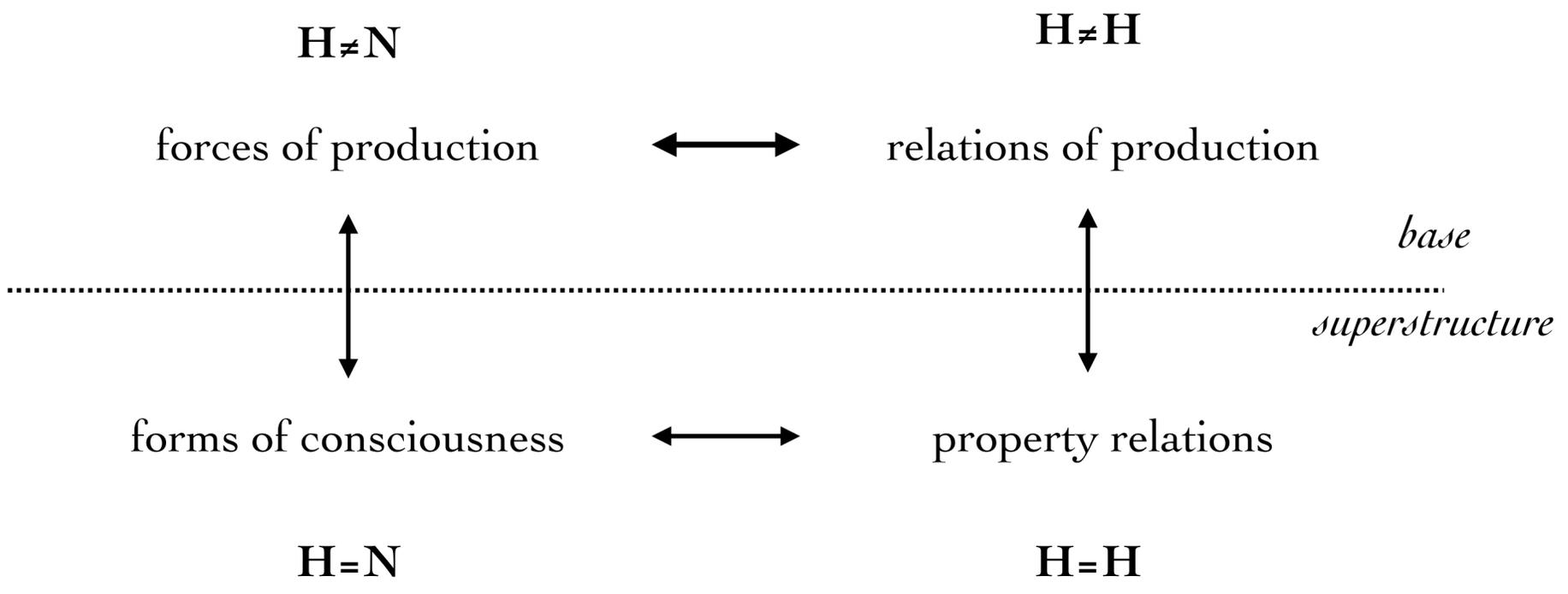
Methodological note II: organization of people, of people and nature, of people and gods

General strategy

In the social production of their existence, men inevitably enter into definite relations, which are independent of their will, namely **relations of production** appropriate to a given stage in the development of their material **forces of production**. **The totality of these relations of production constitutes the economic structure of society, the real foundation, on which arises a legal and political superstructure and to which correspond definite forms of social consciousness**. The mode of production of material life conditions the general process of social, political and intellectual life. It is not the consciousness of men that determines their existence, but their social existence that determines their consciousness. At a certain stage of development, the material productive forces of society come into conflict with the existing relations of production or – this merely expresses the same thing in legal terms – with the **property relations** within the framework of which they have operated hitherto. From forms of development of the productive forces these relations turn into their fetters. Then begins an era of social revolution. **The changes in the economic foundation lead sooner or later to the transformation of the whole immense superstructure.**

Preface to Contribution to the Critique of Political Economy

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The protocity and the State

The state did not arise as a result of the Agricultural Revolution: to the contrary, the Agricultural Revolution was a consequence of the rise of the state. For this reason, we cannot look to the Agricultural Revolution for answers if we want to know how the state came about. But we can fruitfully look at the fascinating writings of the urban-planning critic Jane Jacobs, who expressed strong doubts about the orthodox dogma that development of agriculture led to the rise of the city.¹ In *The Wealth of Nations*, Adam Smith maintains that while agriculture advances in countries where industry is developed, the opposite is not true. Nonetheless, Jacobs writes, with regard to primitive history, Smith believed that agriculture began with the establishment of the community and that this then led to the development of cities and states. She notes that Smith's view subsequently became dogma, accepted even by Karl Marx. Jacobs boldly sets out to overturn this view. She thought that the origins of agriculture lay not in the agricultural village but rather in the city, where goods and information from many communities accumulated and where persons possessing technical skills gathered. She calls this the *protocity*. It was there that various crop-cultivation techniques and new products were developed, and it was there that various animals were domesticated and selective breeding introduced. She argues that agriculture and livestock herding began in the city and only later spread to the peripheries.

I basically agree with this view. But I also have to note that Jacobs's views are distorted by another bias, one that originated with the classical economists: the belief that the economy exists independently of politics (the state). This is nothing more than an ideology of capitalist societies. In reality, even in capitalist societies the state is not some mere ideological superstructure ultimately determined by economic processes. Without the initiative of the mercantile state, manufactures and the Industrial Revolution would never have appeared—not just in late-developing capitalist nations but even in Britain. The Industrial Revolution was premised on the existence of a world market; moreover, it arose as a result of initiatives undertaken by states that were competing for hegemony in that world market.

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The city is a condition for the agricultural turn, but the city itself is not just an economic arrangement

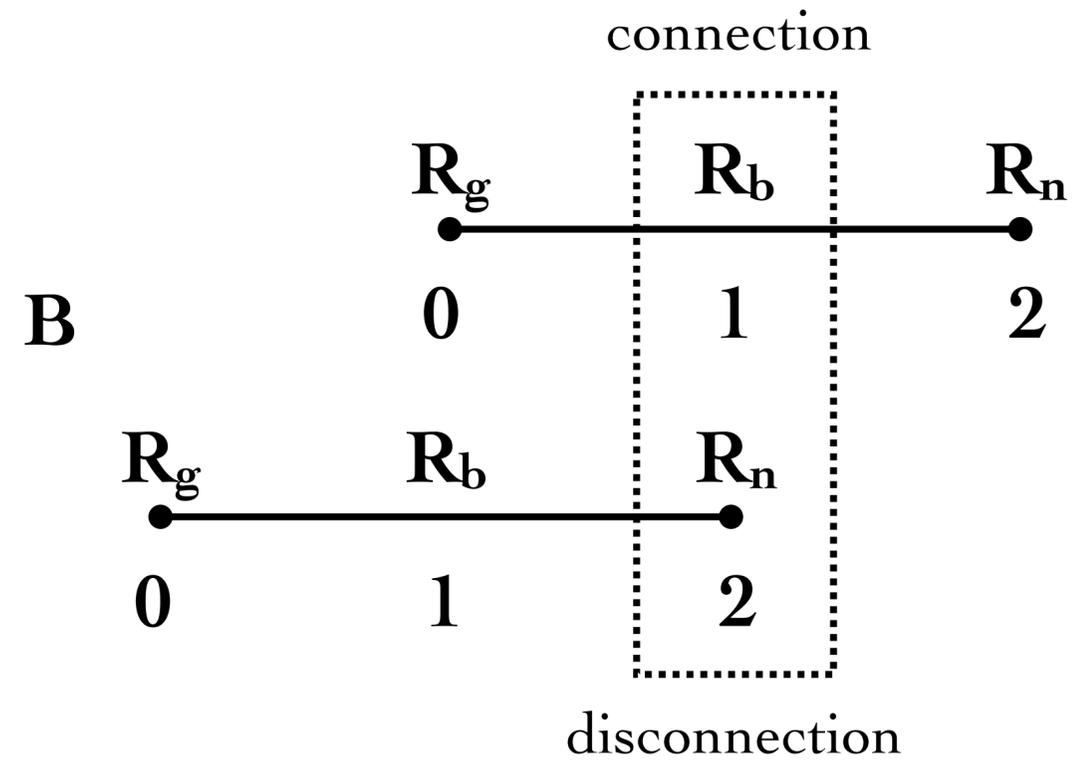
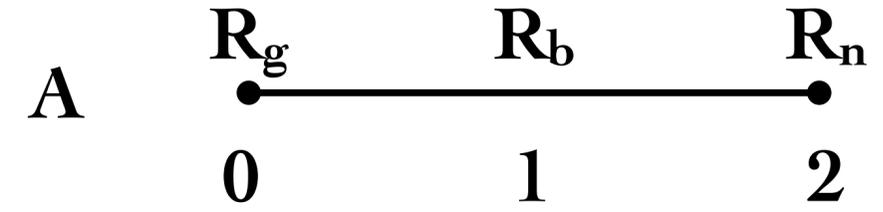
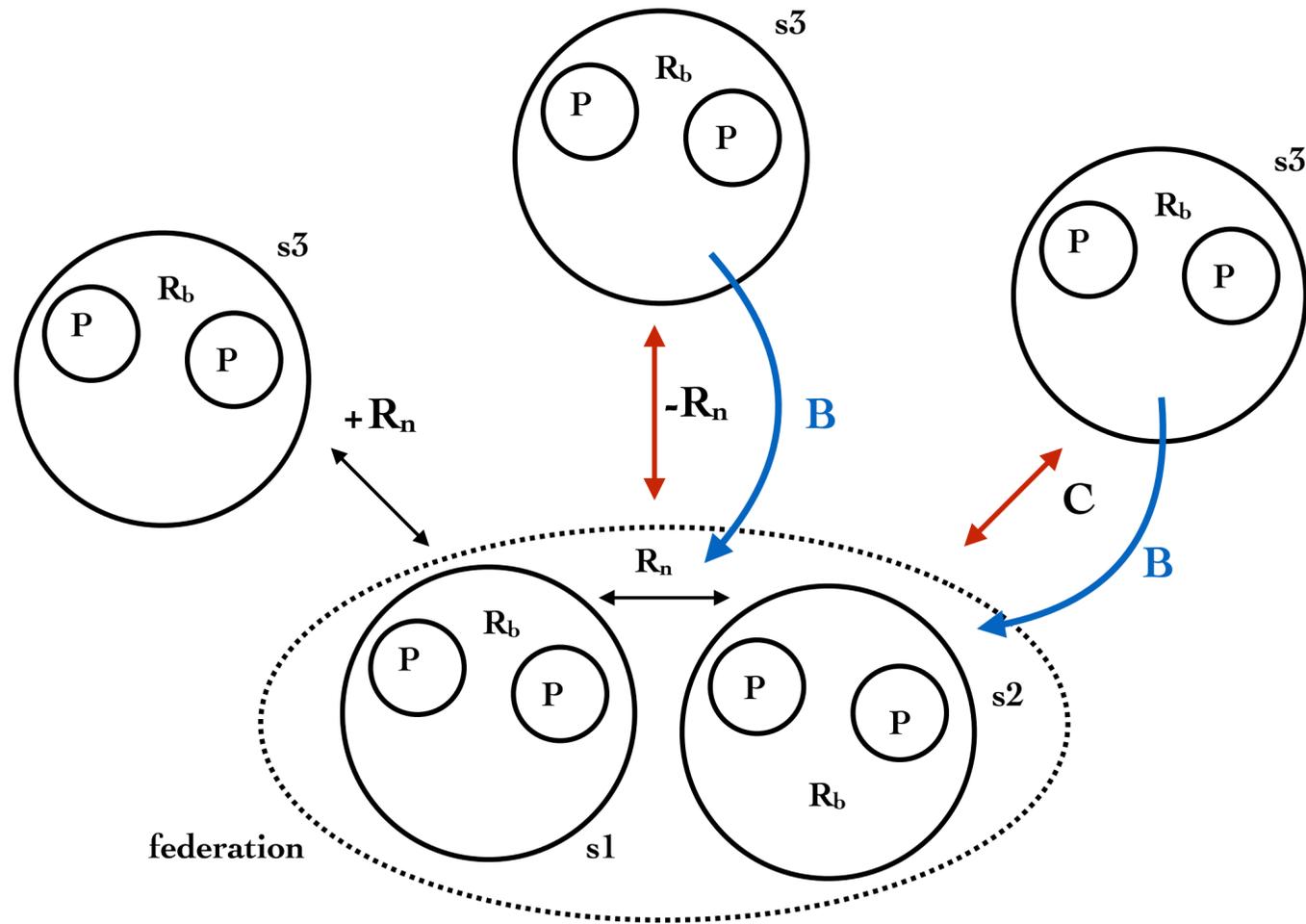
The protocity and the State

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Various theorists of the origins of cities propose that they began as sacred centers or as fortress towns. But these amount to the same thing. Max Weber maintains that cities began as new “federations by oath” established between multiple clans and tribes.³ Because these oaths or covenants pledged faith to a new god, in this sense the cities were sacred centers. Yet in addition to being centers of trade, these cities were at the same time fortress towns that defended against external enemies, pirates, and bandits—they were, that is, armed states. As these instances show, the rise of the city cannot be separated from the rise of the state. In other words, mode of exchange B and mode of exchange C are inseparable from one another.

In terms of the order of my argument, I will deal with mode of exchange C later, but this does not mean that C appeared only after B. Mode of exchange C existed from the earliest stages of the social formation—that is, from the stage in which A was dominant. This is because the community in a fixed settlement needs to carry out trade (commodity exchange) with other communities. But a state of war exists in the gap between two communities. Clan society creates a state of peace by establishing a higher-level community through the reciprocity of the gift. A confederation of tribes overcomes the state of war existing between communities by means of the reciprocity of the gift. This is one kind of social contract. If this expands, it takes on the form of a chiefdom. The chiefdom has its own spatial capital, which hosts meetings of the council of chiefs and also becomes the site of trade between communities. For these reasons, we can call this the primary form of the state and city. To move from this to the state proper—to move from chiefdom to monarchy—requires a great leap. This is because the state is based on a nonreciprocal principle of exchange.

*Proto-cities were also proto-states: centers of trade rely on centers of control.
The emergence of state from the spaces of trade between communities*



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Exchange and the Social Contract

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In primitive societies the dominance of mode of exchange A did not mean that trade (commodity exchange) was absent; to the contrary, the former made trade possible in the first place. In short, it was precisely mode of exchange A that created the possibility for mode of exchange C. This does not, however, answer the question of how trade between communities that transcended the level of tribe or tribal confederation became possible—the question of how a state of peace became possible.

Today Hobbes's theory is interpreted as explaining not so much the origins of the state as the basis for majority rule—that is, the basis for why the minority must accede to decisions made by the majority. But in fact Hobbes's state of nature consisted not of conflict between individuals but rather between the king, feudal lords, church, and cities, among others. He grasped the social contract as being the process by which the king emerged as the absolute sovereign from among these competing entities. This process was not unique to the feudal societies of western Europe. The same conditions existed before the emergence of the despotic state in Mesopotamia: prior to its emergence there were a plethora of city-states existing in mutual rivalry. The Sumerian *Epic of Gilgamesh* depicts the process by which, out of this condition, one king managed to achieve dominance and concentrate power in himself. In this sense, while Hobbes's observations are in some aspects historically specific to the experiences of the early modern period, we can also say that he grasps the process of emergence of the state in universal terms.

Accordingly, when we consider the origins of the state, the social contract that Hobbes described in *Leviathan* remains valid insofar as we think of it as being something that binds communal entities instead of individuals. What deserves attention here is the nature of this contract. The contract that Hobbes describes is a covenant “extorted by fear.” Ordinarily, we don't consider agreements entered into out of fear as being contracts.⁵ But according to Hobbes, even these are contracts:

*Hobbes and the relation between communities at war
Commonwealth by acquisition and institution*

At root, the state is “a commonwealth by *acquisition*.” There are states (city-states) that can be described as commonwealths “by *institution*.” But these arise only in cases when they neighbor a powerful state. When “some man, or assembly of men,” from these communities is given the power of sovereignty, it is for the sake of resisting some other state. In that sense, even a commonwealth by institution is fundamentally based on a covenant extorted by fear. As Hobbes notes, it makes no difference if the sovereign is a monarchy, aristocracy, or a democracy. After all, the sovereign can be a single man or an assembly of men. What is important here is that the sovereign is essentially born of a covenant extorted by fear.

Hobbes believed that laws were possible only after the establishment of the state (sovereign). This does not mean, however, that the sovereign is free to arbitrarily establish any law. It means instead that the law will not function in the absence of some power that compels obedience, and that the sovereign holds the power to enforce legal norms. Weber defines the essence of the state as being a monopoly on violence. What this actually means is that armed force or power wielded by state no longer belongs to the category of violence. Anyone else carrying out the same acts would be punished for having committed violence. Behind the law stands armed force. Seen from another perspective, what this means is that the power of the state is always exercised through the law.

The victor (ruler) plunders the vanquished. If this were simply a matter of pillaging, however, it would not lead to the rise of the state. The establishment of the state occurs when the pillaged booty is offered up in the form of taxes (tribute): then we see the beginning of exchange. It is through this procedure that the vanquished secure their rights of ownership. They are plundered by the state in the form of taxation or forced labor, but in return are protected from pillaging by anyone other than the state. As a result, the ruled come to think of this forced labor or tribute not as something taken from them by force, but rather as counter-gifts (obligations) offered in return for gifts (favors) granted by the ruler. In other words, the state is established through the transformation of plunder and violent compulsion into a mode of exchange.

Origins of the State

Seen in this light, it becomes clear that the state emerges when reciprocity between communities is prohibited. For example, in Babylon's Code of Hammurabi, a compilation of legal codes that had existed since Sumer, we find the famous "an eye for an eye" clause. This is not a call for engaging in "tit for tat." Instead it marks a ban on endless vendettas. It means that criminal acts or discord between communities are not to be resolved by the parties themselves but rather through judgments rendered by the state that exists over them. In terms of the history of law, "an eye for an eye" represents the beginning of *nulla poena sine lege*, the doctrine that there can be no punishment without law. Because vendetta signifies the autonomy of the community with regard to higher-level organizations, the law of "an eye for an eye" amounts to the negation of autonomy for the lower-level community. Seen from this perspective, the transformation of the Greek polis into states proper occurred at the moment when reciprocal vendettas were banned.⁹

This shift from a prestate condition to a state cannot be understood if we confine our considerations to the interior of a single community. For example, some see the state as an independent public power whose purpose is resolving class conflicts that arise within the community. In another view, it is the organ (means) by which the ruling classes control the ruled classes. Marx and Engels propose both views. Both views see the state as something that arises through developments internal to a single community. But the state could not possibly emerge through the development of a single community: a community grounded in the principle of reciprocity is capable of resolving whatever contradictions arise within it through the gift and redistribution. Moreover, in the case of chiefdom states, we find hierarchies and vassalage relations based on clientelism (patron-client relations), but these are fundamentally relations of equality (reciprocity) and hence are incapable of transforming into the kind of vassalage relations or hierarchies that characterize state bureaucracies. A sovereign possessing absolute authority could never be born from this kind of situation.

*Law as the interdiction of negative reciprocity
The state emerges neither from without nor from within*

This leads us naturally to consider the following possibility: that this kind of sovereign is not born from within the community through a process of self-alienation, but rather originally comes from the outside—in other words, that the sovereign arrives as a conqueror. This view asserts that the origin of the state lies in conquest. Engels saw the cause of the end of the clan community and the beginning of the state as coming not from the interior but from the situation of ruling over other communities, citing as an example the case of Rome's ruling over the Germanic tribes:

If conquest is not able to bring about the state, then it seems that the state must come "from within." But the sovereign cannot be produced internally. Internal conflicts between clans belonging to a single community will not lead to the rise of an independent public power. In sum, we have a thesis that the state arises from within the community and an antithesis that the state does not arise from within the community. But this antimony can be resolved when we see that the origin of the state lies in a kind of exchange carried out between ruling and ruled communities. This exchange takes the form of the conquering side offering protection to the vanquished in return for their subservience, as well as redistribution in return for the offered tribute. When this happens, the reality of conquest is disavowed by both parties.

It is true that there are some cases where a sovereign emerged from within the community even in the absence of conquest. In clan societies, for example, at times of crisis the chief can temporarily become a sovereign wielding extraordinary powers—powers that are then canceled when order is restored. Moreover, in cases where warfare is the normal condition, the chief can become sovereign on a permanent basis. In other words, when the threat of external invasion is constant, the position of the chief acquires absolute status on a permanent basis. In such cases, kingship emerges. For this reason, even when conquest does not actually take place, if the threat of it is constant, a sovereign can arise from within the interior of the community. Accordingly, even in cases where it seems to appear from within, ultimately the sovereign is something that comes from outside. In reality, once a state comes into being, the other communities around it must either submit to its rule or become states themselves. Therefore, even when a community appears to have transformed itself into a state from within, external relations with other states will always form the backdrop.

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The Community State

Hobbes locates the basis for the establishment of the state in an exchange (contract) whereby “one receiveth the benefit of life; the other is to receive money, or service for it.” This is not something that takes place at the level of individual persons, but rather at the level of relations between communities: the state is established on the basis of an exchange (contract) between the ruling and ruled communities. In this exchange the ruled community submits and pays tribute to the ruling community and thereby receives security. But because this is a provisional contract, the possibility exists that it might be overturned. In order for a state to be fully established, further exchanges are necessary. In addition to levying tribute and forced labor on the ruled community, the ruling community must also redistribute the wealth it receives in the form of taxes. The state must appear as if it were the agent of redistribution for the community—in short, as if it were fulfilling a public function of the community. When this happens, the state comes to be regarded as simply an extension of the chiefdom community.

In reality, however, chiefdom society and the state are of fundamentally different natures, and the former cannot become a state simply by expanding. For example, the chief or priest of tribal society can never become the king of a state, no matter how much power this person manages to accumulate.

As I noted, monarchy (the state) comes not from within the community but from outside. But at the same time it must appear as if it has come from the interior of the community, as if it were simply a further extension of that community. If it fails to achieve this, a monarchy (state) will not be firmly established. In this sense, just as the modern state takes the form of the nation-state, the state since antiquity has taken the form of the *community-state*.

In the formation of this community-state, the key role was played by religion. In clan and tribal communities, chiefs were simultaneously priests. The same was true at the stage of the proto-city-state that subsumed multiple tribes. For example, the temple was not simply a place for religious rituals; it was also a storehouse of wealth that was to be redistributed, and the chief who carried out this redistribution was the priest. In this sense, the priest and the political chief could not be distinguished from one another. At the stage of the proto-city-state, the chief held much greater power than at the stage of the chiefdom state, now acting as priest in the service of gods who transcended the deities (ancestral or tribal) of the various member communities. Weber thought that the city emerged as a federation by oath, but the oath in question was above all a pledge to worship the same god(s). This marked the moment of emergence of a community-state that transcended the previously existing clan communities.

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The return of inequal reciprocity in the state contract

The role of religion in the community state: the immanence of transcendence

The Asian State and the Agrarian Community

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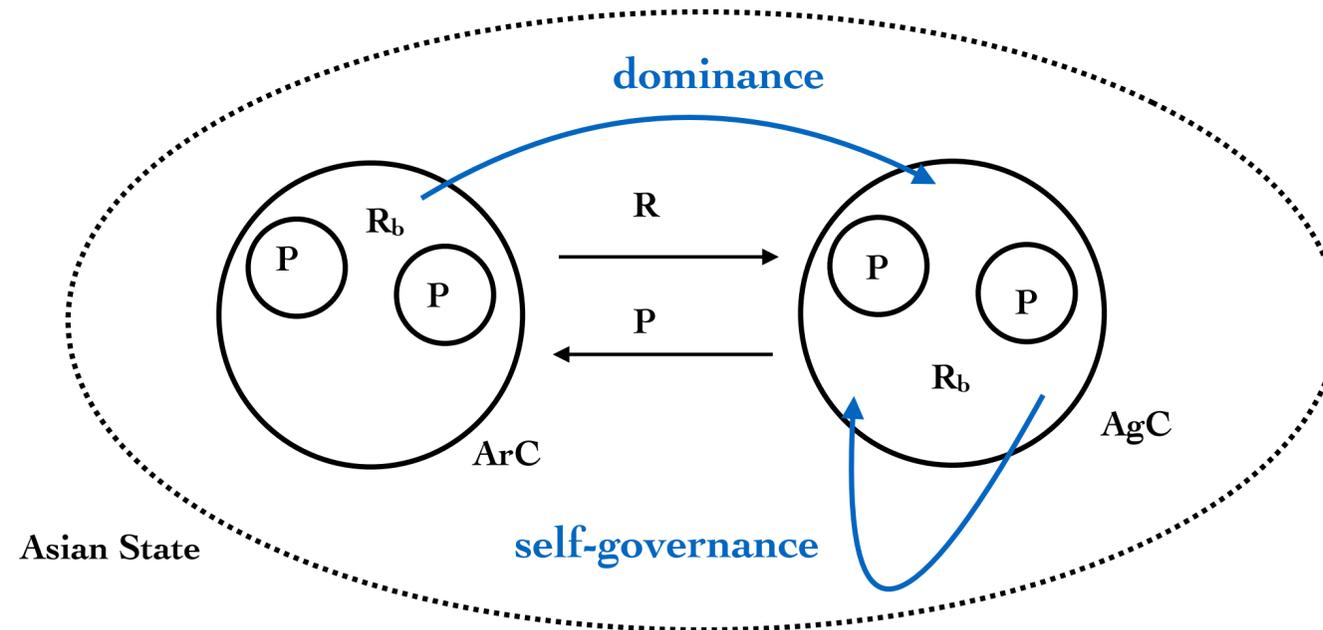
With the rise of the state, the previously existing clan and tribe communities underwent a transformation. We can take this up in terms of both the levels of the ruling and the ruled communities. At the level of the ruling community, the existing community and its reciprocal mode of being—in positive terms, its principle of equality; in negative terms its tendency to engage in vendettas—disappeared, and a hierarchical order took shape. This did not happen all at once though. Centralization within the ruling stratum is achieved only gradually, through the overcoming of “intermediate powers” (Montesquieu), such as various chiefs (aristocrats) and priests. In the emergence of the ancient despotic state, we see something that structurally resembles the emergence of the absolutist monarchy in early modern Europe: a form in which all people give their allegiance to an absolute despot who has suppressed the aristocracy (the powerful clans).

In tandem with this increasing centralization in the ruling class, at the level of the ruled classes, the existing clan community is reorganized into an agrarian community. The agrarian community appears as if it were simply an extension of clan society. For this reason, Marx viewed the “Asiatic mode of production” and the Asiatic agrarian community as the first mode to develop out from primitive society (clan society); he then tried to use this to explain the Asiatic state. For example, taking up the remnants of the agrarian community that survived in the Punjab region of India’s Indus River basin, he argues: “The simplicity of the productive organism in these self-sufficing communities which constantly reproduce themselves in the same form . . . supplies the key to the riddle of the unchangeability of Asiatic societies, which is in such striking contrast with the constant dissolution and refounding of Asiatic states, and their never-ceasing changes of dynasty.”¹² In sum, he believed that the despotic state was eternal because the Asiatic community was eternally unchanging.

Agrarian community and aristocratic community in Asian despotism
Self-governance without autonomy

I have already pointed out how the reciprocity of clan societies was characterized not solely by positive aspects, such as mutual aid and equalization, but also by negative aspects, including the tendency to subjugate others by force. We see this, for example, in destructive competitions such as potlatch and vendettas. Reciprocity does not acknowledge any higher authority. The agrarian communities that formed under Asiatic despotism preserved reciprocity in such aspects as mutual aid and equalization. But they lost the other aspect of reciprocity: their autonomy. The people were completely subordinated to the state (monarch)—in fact, this was why the agrarian community was permitted a measure of self-governance. The community also acquired a degree of communal adhesion not found in clan societies.

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*Agrarian community and aristocratic community in Asian despotism
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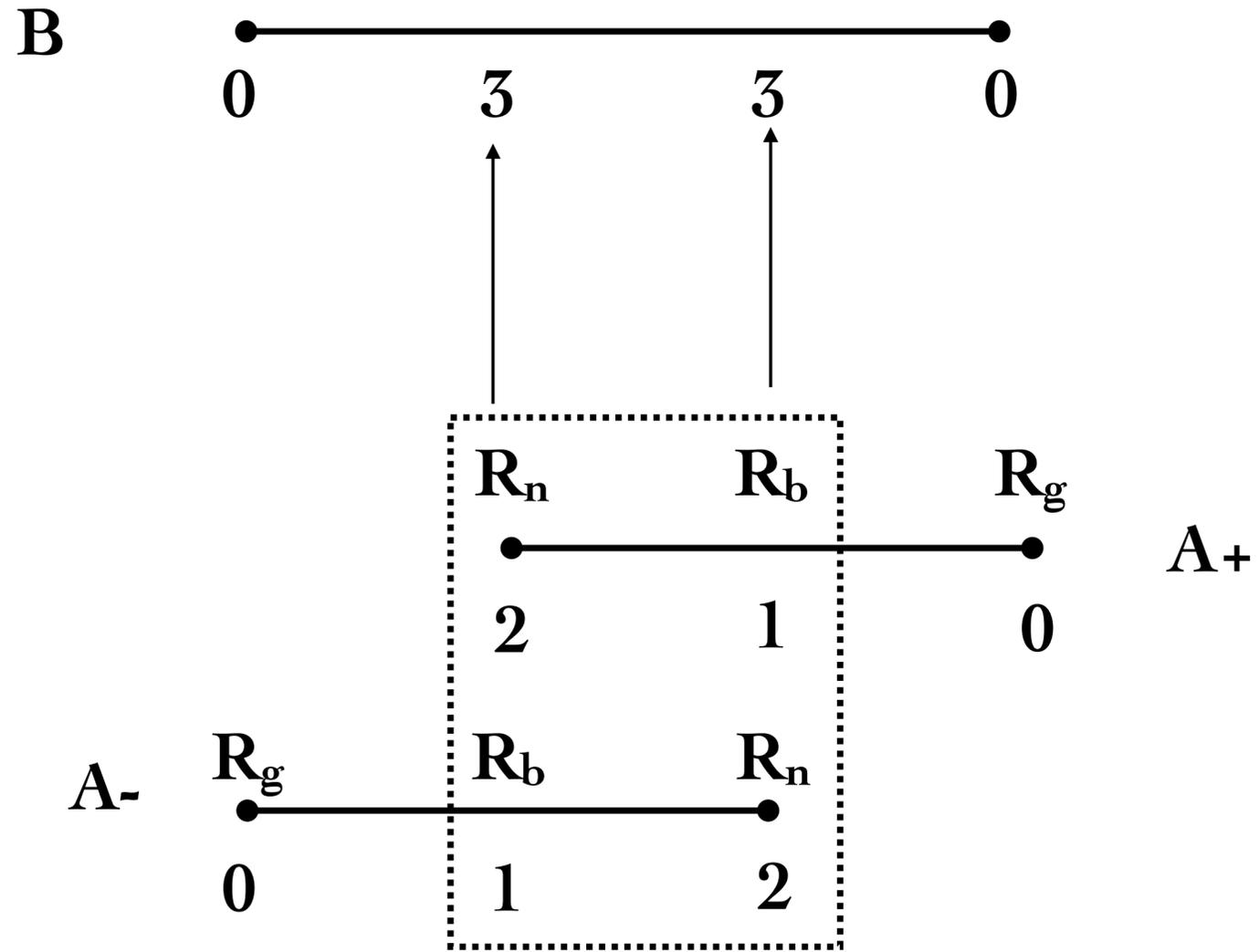
Next we need to note that the formation of the Asiatic despotic state could not have taken place simply through military conquest: it required the introduction of a new principle for governance. The despotic state emerged from conflicts between numerous city-states as a territorially extensive state. In tandem with this, there emerged a society in which traditional communal norms no longer held sway. The transcendental status acquired by the gods of these supranational states was not simply a question of religion: these states that governed over vast territories needed the idea of the rule of law (ruling by means of law).

We tend to associate the idea of conflict between city-states chiefly with the Greek polis, as well as with the activities of various philosophers, including the Sophists. But there is little doubt that similar conditions existed earlier in the formation of the ancient empires, even if there are no extant records. For example, when we consider the use in the subsequent Babylonian and Assyrian empires of words that originated in Sumerian civilization, we catch a glimpse of the epochal shift that civilization represented. The principle of “an eye for an eye,” which marked a decisive break with the principles of reciprocity, was not a law that just naturally came about: it had to first be expounded by philosophers.

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The emergence of duty as non-reciprocal law
The thinking of transcendence in religion and state philosophy

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 self-governance law sovereign



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The Asian State and the Agrarian Community

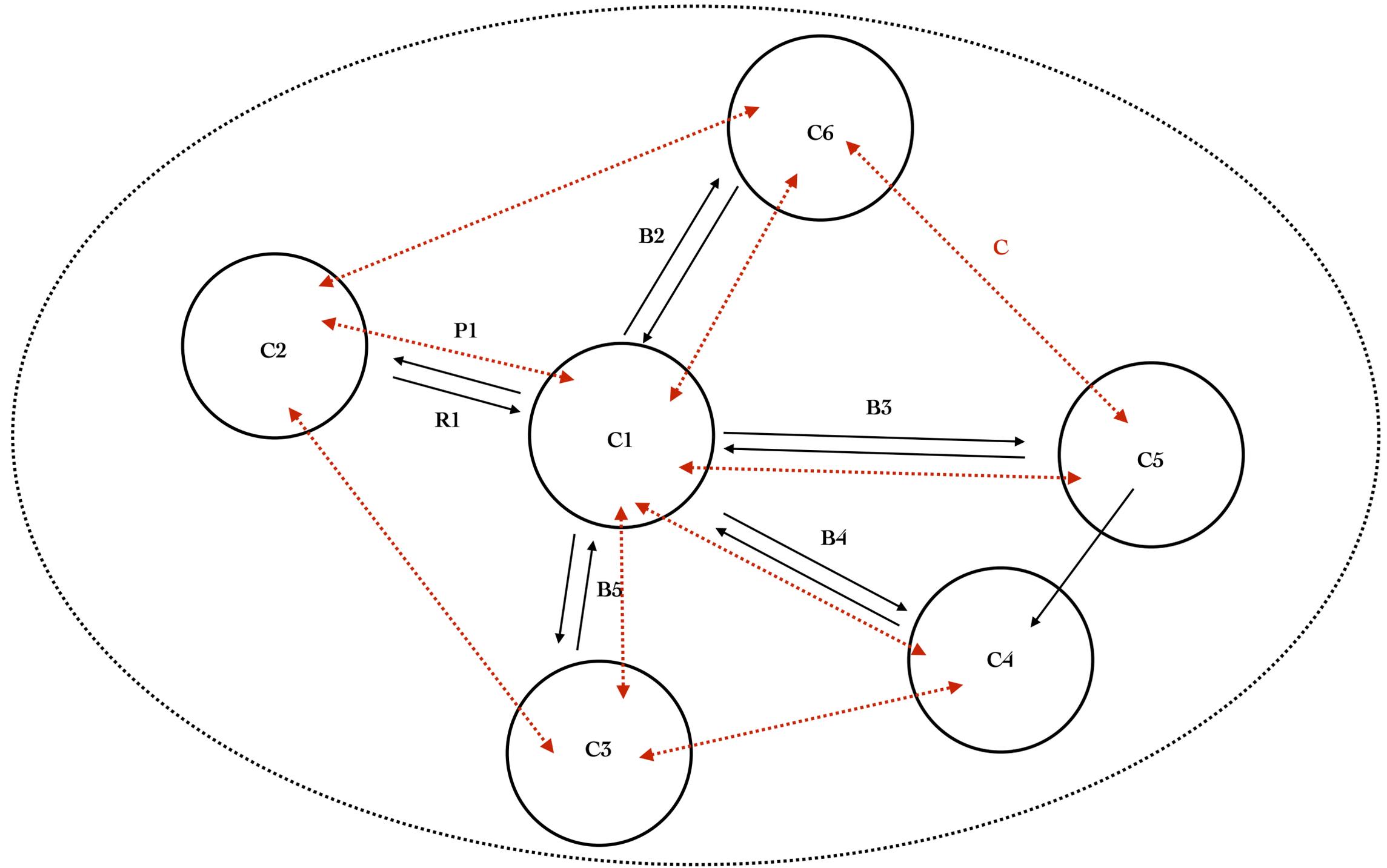
One common misunderstanding about Asiatic despotism confuses it with a slavery system. Under the Asiatic state, the masses were neither cruelly abused nor neglected—if anything, they were carefully safeguarded. For example, as John Maynard Keynes notes, the construction of the pyramids was carried out as a measure for dealing with unemployment and as a state policy for generating effective demand.¹³ In this sense, the despotic state (patriarchal patrimonial system) was a kind of welfare state. In the same way, the Eastern Roman Empire (Byzantine) was also a welfare state.¹⁴ This was not because it was a Christian state, but rather because it was an Asiatic despotic state—that is, a state where the emperor was also the pope. Weber argues that the emer-

Another common misunderstanding of the Asiatic despotic state views it as a rigid despotic system that reached into every corner of governance. In fact, that sort of monarchical power is always fragile and short-lived. To sustain a monarchy over the long-term requires the deployment of religion, alliances through marriage, vassalage relations with feudal lords, and bureaucratic systems. As a result of these, however, forces constantly arise to resist the monarch: priests and other religious figures, powerful clans, and patrimonial officials from private estates. On top of these, nomadic peoples from the outside spot this internal dissent and seize the opportunity to invade. In this way, dynasties fall, after which once again a new dynastic is established. The “constant dissolution and refounding of Asiatic States, and the never-ceasing changes of dynasty” (Marx) was of this nature.

Why didn't the despotic state appear in Greece or Rome? I will examine this again later, but here let me sketch in the answer. It was not because Greek and Roman society were at a so-called advanced stage; to the contrary, it was because they were “backward.” As Marx in his later years pointed out, it was because in the Greek and Roman city-states, among the ruling community (citizens), the principle of reciprocity from clan society remained strongly in force, resisting the emergence of a centralized state. That was why these city-states could not produce a centralized bureaucratic structure. Moreover, the market economies that developed in them were not under state control. This is also, however, connected to their inability to implement either the sort of despotic rule that could reorganize conquered communities into agrarian communities or the sort of imperial rule that would integrate multiple conquered states and communities into itself. Rome in the end did become a vast empire, but that was due if anything to its adoption of the Asiatic imperial system. For these reasons, we should regard the despotic state that emerged in Asia not simply as a primitive early stage but rather as the entity that perfected (in formal terms) the supranational state (i.e., empire).

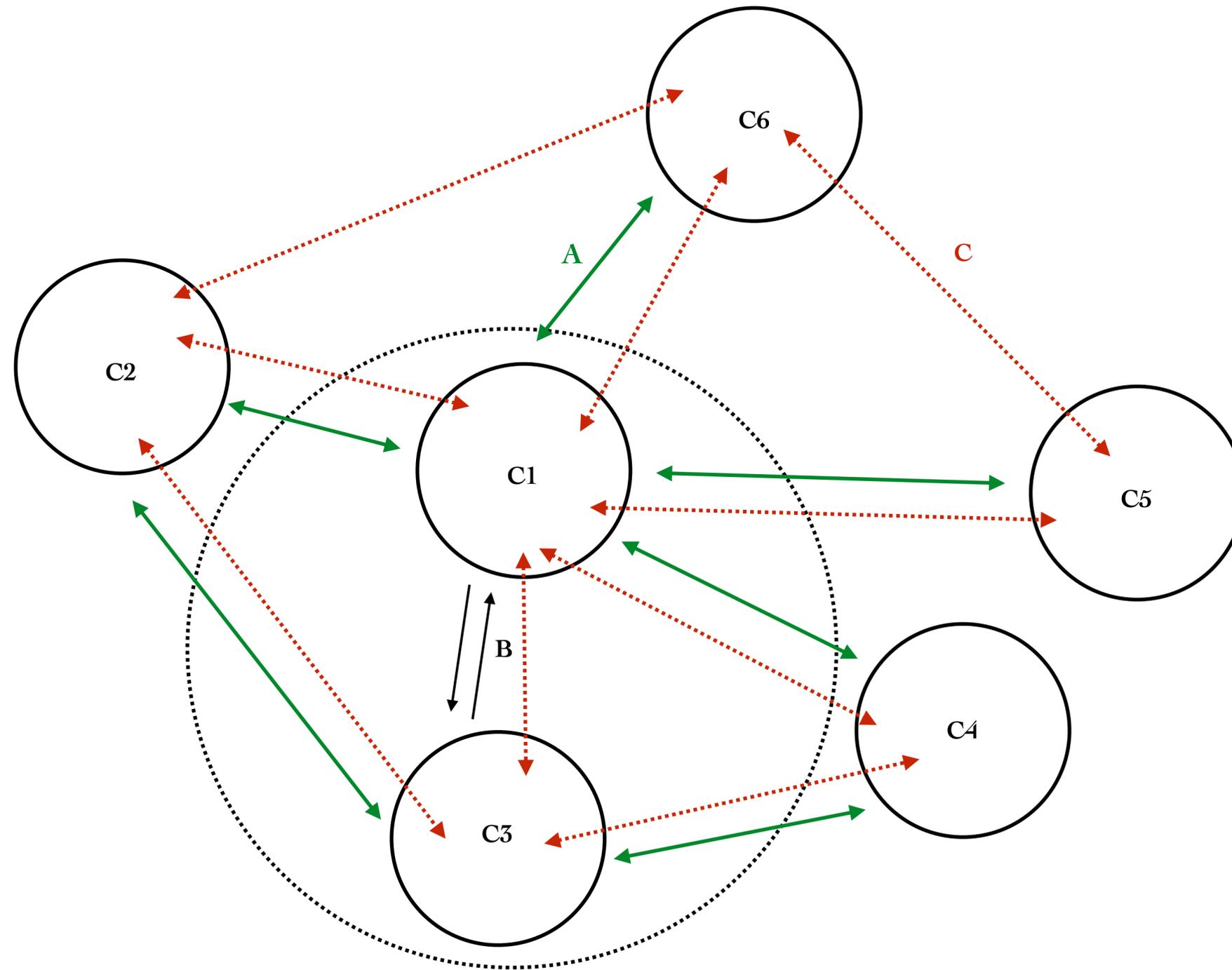
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Despotism and welfare state
The frailty of despotic rules without religion
The limits of centralized state by commerce and community



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Welfare: Plunder in accordance to one community,
redistribution in accordance to the sum of communities



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The Bureaucratic System

But this in itself already demonstrates the need to think of despotism separately from irrigation agriculture. The civilization realized by hydraulic societies was not just a matter of technologies for dominating nature; more than that, it consisted of technologies for governing people—namely, state apparatuses, standing armies, bureaucratic systems, written language, and communication networks. Consequently, this civilization could be transmitted even to regions that had no irrigation agriculture, for example to nomadic peoples such as the Mongols. Technologies for governing people preceded technologies for governing nature.

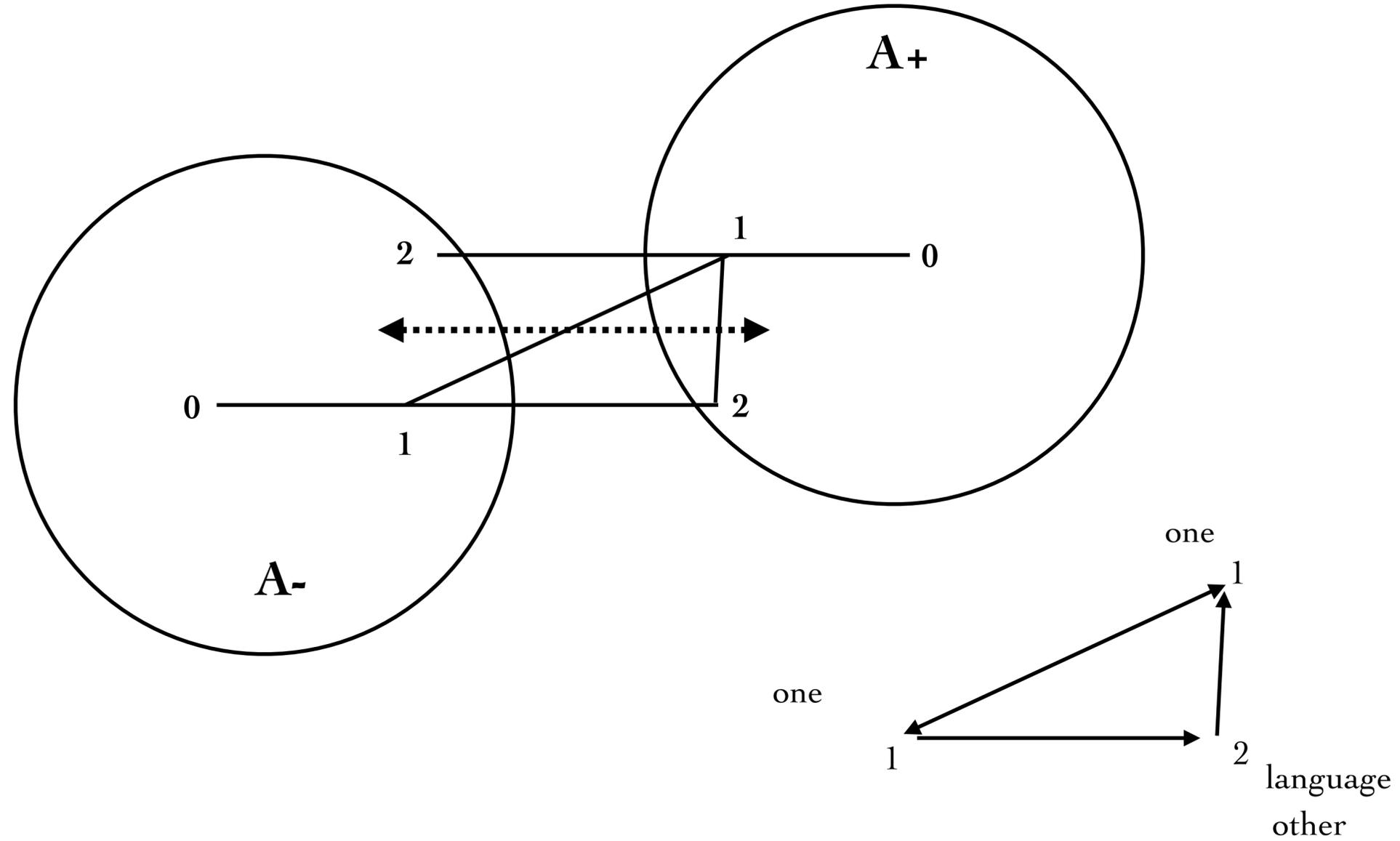
How did bureaucratic systems come about? It is clear that they developed out of massive public-works projects, but an important question remains: where did the people who engaged in these projects and the bureaucrats who managed them come from? The people of clan society hated the idea of becoming subordinated farmers, as did nomadic peoples. Even when they became rulers, they despised the thought of becoming bureaucrats, and so they remained warrior-farmers. The complete absence of any development of a bureaucratic system in the Greek polis is one instance of this. In Rome, because there was no bureaucratic system, tax collection was contracted out to private parties. In sum, we have to take into consideration the fact that people do not voluntarily choose to become bureaucrats.

According to Weber, the bureaucratic system subsequently comes to be based on a guaranteed cash salary system.²² In that sense, he argues, the full development of a money economy is a precondition for the emergence of a bureaucratic system. Under this cash salary system, the bureaucrats begin to experience regularized opportunities for advancement, discipline, and regulations, and a status-based sense of honor. Moreover, bureaucrats became the actual ruling class in the state, in place of the frequently changing rulers (monarchy). Yet they remain fundamentally slaves, which is precisely why they become de facto masters: the despotic lord, after all, can do nothing without bureaucrats. We see here an instance of Hegel's "master-slave" dialectic.

Another basis of the bureaucratic system was written language. Writing became indispensable at the stage of empires that encompass multiple tribes or states. Written language in turn led to the creation of standardized spoken language. This was already the case in Sumer, and in Egypt the mastering of multiple complex writing systems was a necessary condition for becoming a bureaucrat. The power of the bureaucrat lay above all in the knowledge of writing. One who cannot read and write the records of past and present cannot govern a state. The unbroken continuity of the bureaucracy in China depended more than anything on its emphasis on writing and literature.

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Technologies for ruling people > ruling nature
The role of money and written language in the establishment of bureaucracy



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State and Money

Karl Marx repeatedly stressed that commodity exchange began with exchanges between different communities. In doing so, he was critiquing a misperception that had existed since Adam Smith, who located the origins of commodity exchange in exchanges between individuals. Smith's view was nothing more than a perspectival inversion that projected a modern market economy onto the past. For example, even today it is quite rare to see commodity exchanges (buying and selling) take place within the interior of a community or, if the community has disappeared, within the family. In those situations, gift giving and pooling are the most commonly adopted forms. Trade is something only carried out between different communities.

This does not mean, however, that society (community) in its earliest stages did not have commodity exchanges. Commodity exchange did not develop out of gift giving; it existed from the start. Even hunter-gatherer peoples carried out trade. No community can be completely self-sufficient; there is always a need to obtain some goods from outside. For this reason, commodity exchange is inevitable—all the more so after fixed settlement is adopted. But in order for commodity exchanges to take place between different communities, first the state of war that exists between them must be overcome, and stable, amicable relations must be constructed. Gift giving accomplishes this purpose. For example, the famous kula trade in Melanesia takes the form of islands that have received gifts making return gifts to other islands, and it is only after these

gift exchanges that exchanges of essential goods are carried out. This does not mean that trade is secondary to gift giving. Rather, trade itself is the primary goal, and gift giving is essential in making it possible.

To reiterate, the need for trade existed from the precivilization stage. This was why a higher-order community was established above small-scale clan communities. Proto-city-states were likewise formed in this way. The state was formed through intercourse (trade and warfare) between proto-city-states. I have already explained how the state form originates in mode of exchange B, but this does not mean that it is utterly unrelated to mode of exchange C. Rather, we can say that the state is formed in tandem with the practice of trade. Under the centralized state, in return (exchange) for its payment of taxes (tribute and forced labor), each community secures its rights of ownership. With this it becomes possible to carry out commodity exchanges—that is, the mutual transference of possessions.

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Trade and the frontier between communities
Mode C and surplus
From proto-city-states to states
The state as condition for commodity exchange

State and Money

When Marx in *Capital* theorizes the commodity-exchange relationship, he calls attention to the ways in which it is backed by the legal relationship between the two owners:

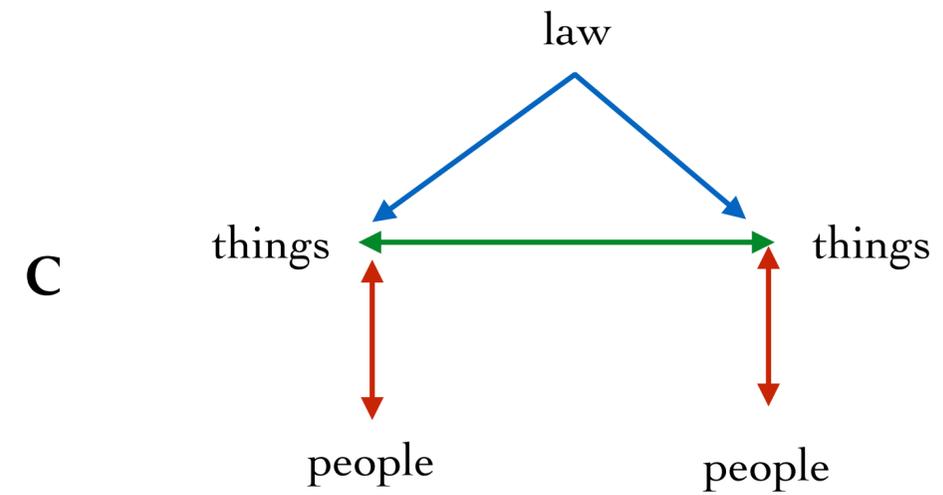
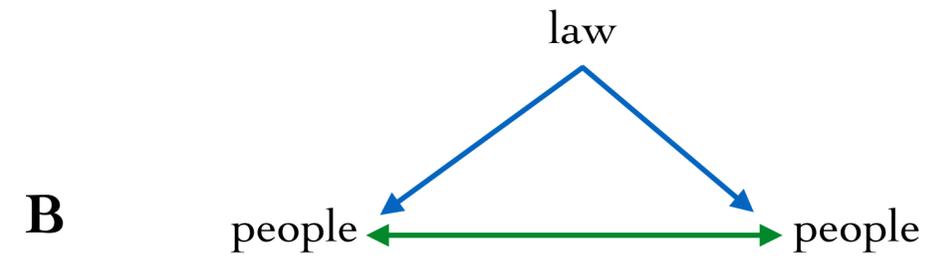
In order that these objects may enter into relation with each other as commodities, their guardians must place themselves in relation to one another as persons whose will resides in those objects, and must behave in such a way that each does not appropriate the commodity of the other, and alienate his own, except through an act to which both parties consent. The guardians must therefore recognize each other as owners of private property. This juridical relation, whose form is the contract, whether as part of a developed legal system or not, is a relation between two wills which mirrors the economic relation. The content of this juridical relation (or relation of two wills) is itself determined by the economic relation.¹

It may seem here that Marx is stressing that the juridical relationship is merely reflected in the economic relationship. But what he really means is that the economic relation of commodity exchange cannot exist in the absence of the juridical relationship. What makes commodity exchange between communities possible is the existence of the state, which punishes as legal infringements any acts of theft or failures to uphold contracts. This is grounded in mode of exchange B. There is also the matter of the credit that exists between communities, which is grounded in reciprocal mode of exchange A. Accordingly, the commodity mode of exchange C between communities can only exist when it appears in tandem with the other modes, A and B.

In this way, commodity exchange exists only with the support of the community and state. Having said that, the existence of mode of exchange C is not simply contingent. Insofar as they are unable to be fully self-sufficient, the community and state both require it. Modes of exchange A and B each have their own power: the power of the gift and the power of the state, respectively. Mode of exchange C also produces its own unique form of power. This is not something born of the state; rather, it is something that the state cannot do without. This power is, concretely, the power of money: the right to obtain some other thing directly through exchange. With money, one is able to subordinate other people not through fear but through voluntary contracts. We will look at how and why money comes into being, but the important point to keep in mind for the time being is that, just as commodity exchange requires the existence of the state, so too does the perpetuation of the state require the existence of money.

The method of bracketing in Capital
The power of C and the State

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The method of bracketing in Capital
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State and Money

With money the state is able to hire people. This makes it possible to rule people through voluntary contracts, without having to rely on either fear or the constraints of reciprocity. For example, the power of the ancient despotic states was grounded in violence (military force), but the power of money was indispensable for this. Once the state transcended the scale of a tribal community, it needed to hire soldiers, as well as employ skilled specialists to produce weapons. For these purposes it needed money. The state acquired this through trade with distant lands, whether the state itself pursued this directly or simply imposed duty fees on trade. The large-scale irrigation agriculture that was one of the hallmarks of the ancient despotic state was aimed not so much at domestic consumption as at export.

interdependent. Even in precapitalist social formations, mode of exchange C was an important factor. No matter how it developed, however, it was fated to remain secondary to modes A and B. In other words, mode C was generally viewed negatively. For example, except for cases when they themselves became state officials, merchants were typically seen as immoral. Despite its filling an indispensable role, mode of exchange C was always placed in a position of inferiority, as seen, for example, in the case of silent trading.

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Mode C and scaling
The need to control mode C's reach

The Social Contract of the Commodity World

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The classical economists tried to explain away the problem of money by introducing the value of labor, but in fact their argument implicitly required the existence of money as its premise. For example, Smith believed that a commodity had use value and exchange value. Its exchange value consisted of its purchasing power, that is, its ability to buy other commodities. This would mean that every commodity is itself money—but this cannot be the case. Only those commodities that serve as money (gold and silver, for example) have this power. Yet commodities do not contain immanent value from the start: their value comes into being only after they are bought and sold (exchanged for money). If a product fails to sell, then no matter how much labor went into its production, it possesses no value—not even use value. It is simply discarded. A commodity only comes to have value when it is equated with some other commodity. But monetary commodities such as gold or silver certainly seem to possess an intrinsic exchange value. They appear to bestow the right to buy (to be directly exchanged for) other commodities. That being the case, how do certain commodities acquire this power? It is not because of their raw material, nor is it the result of labor expended in their production. This sort of power can only be produced through the process of exchanges of one commodity for another.

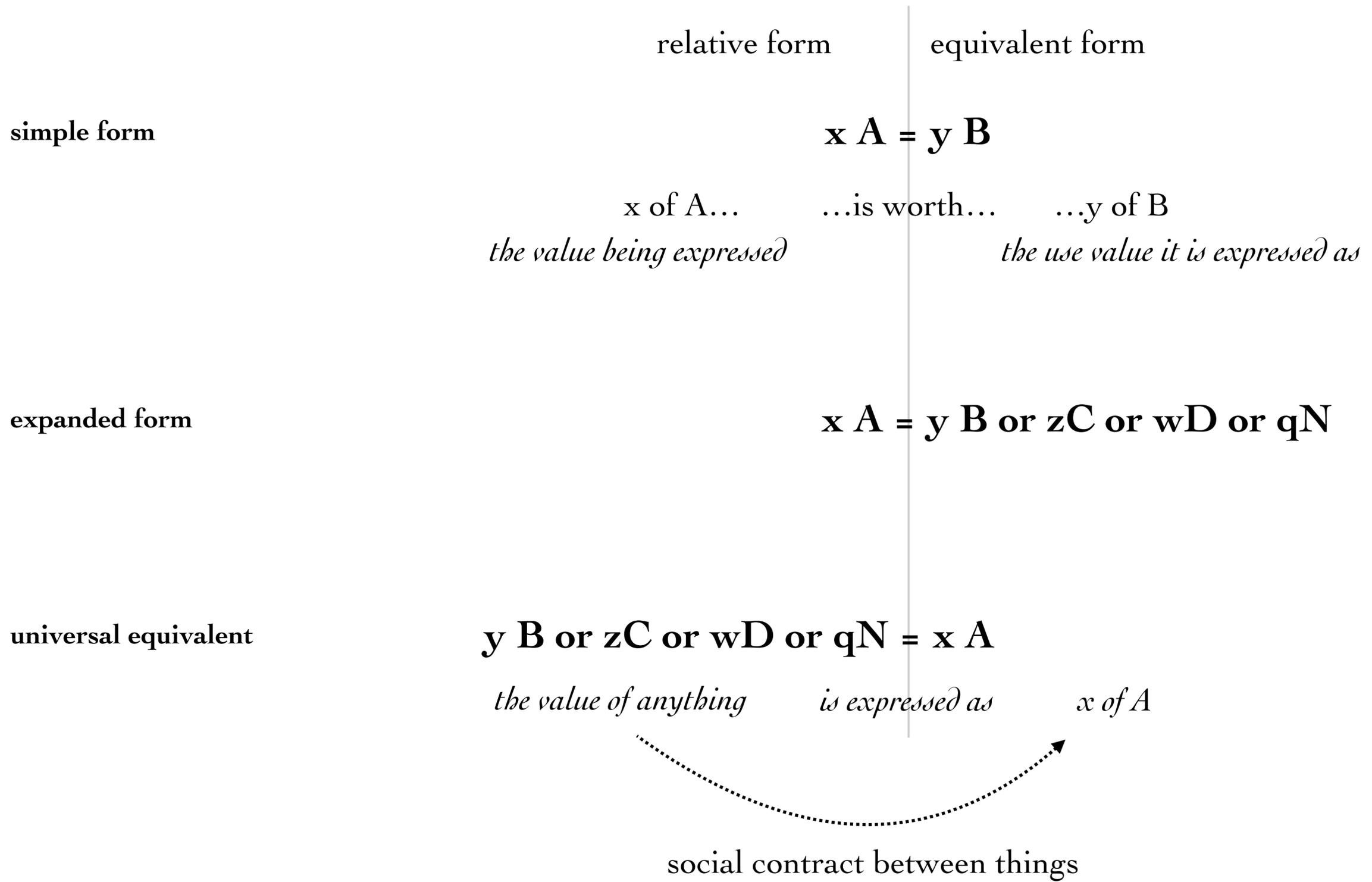
The abstracted, social labor that is the substance of value is bestowed only retroactively through the money (universal equivalent) that is produced through relations that equate one commodity with another. Accordingly, understanding the creation of money does not require the labor theory of value. Because Marx in *Capital* happens to discuss the labor value that inheres in the commodity prior to explaining the value form, he needlessly gave rise to much confusion. But there is no value—labor value or otherwise—intrinsic to the commodity. It acquires value only when it is equated with some other commodity. Moreover, this value is expressed in the form of the use value of that other commodity. In sum, the value of a given commodity arises from the equivalent form it locates in other commodities—in other words, from the value form.

From simple form of value to universal equivalent

For example, the value of commodity A is indicated by the use value of commodity B. Marx called this the simple form of value.⁵ In Marx's words, at this moment commodity A is situated as the relative form of value, and commodity B as the equivalent form. In other words, commodity B is serving as money (an equivalent). But in this simple form of value, we can reverse this and buy commodity A with commodity B, in which case commodity A functions as money (equivalent). We have a situation in which any commodity can claim to be money.

In order for money proper to appear, it must be the case that only commodity B can serve as the value form. Beginning with this simple form of value, Marx theoretically explicates the development through “expanded form of value,” then “general form of value form,” and finally the “money-form.”⁶ Money appears when commodity B is situated as the value form excluded from all other commodities. When gold or silver take up the position of universal value form and all other commodities are positioned as relative value forms, then gold and silver become money. But an inversion takes place here: even though they have only become money because they are positioned in this way, gold and silver come to be thought of as possessing a special intrinsic exchange value:

In Marx's words, the creation of money is “the joint contribution of the whole world of commodities.”⁸ We could also call this the social contract of the commodity world. The various commodities renounce their desire or right to be money, transferring it to a specific set of commodities. Because of this, the right to buy and sell is bestowed only on those commodities that are positioned as the form of value in general—the money-form. It turns out that the power of money is grounded in a social contract.



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Leviathan and Capital

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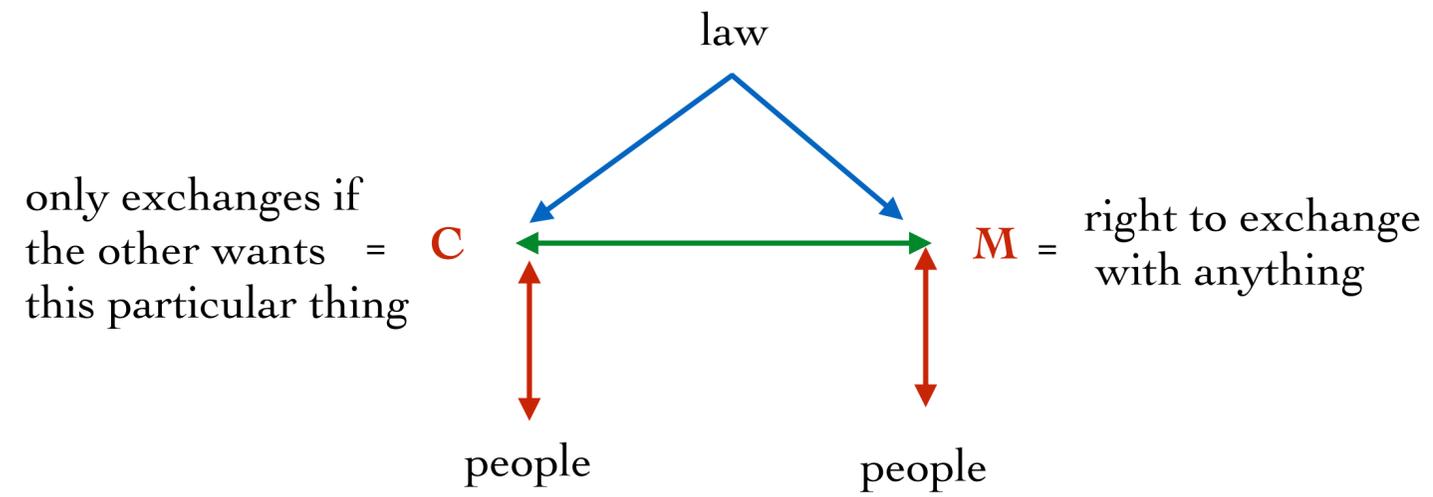
Seen in this way, it becomes clear that Marx's depiction in *Capital* of the creation of money resembles Thomas Hobbes's description in *Leviathan* of the emergence of the sovereign. In both, the concentration of power in a single figure is accomplished when all other actors transfer their own rights to it. In fact, Marx in discussing money actually cites the example of a king: "For instance, one man is king only because other men stand in the relation of subjects to him. They, on the other hand, imagine that they are subjects because he is king."⁹

In France the extermination of the intermediate powers was brought about by the French Revolution that began in 1789. The bourgeois revolution did more than bring down the absolute monarchy; by destroying the intermediate powers, the revolution also established an absolute sovereign—the state in which the people are sovereign (the dictatorship of the bourgeoisie). In a sense, however, this sort of process had taken place even earlier in England with the Puritan Revolution during the seventeenth century, which toppled the absolute monarch. Accordingly, when he wrote *Leviathan*, the sovereign that Hobbes had in mind was not the absolute monarch but rather the popular sovereignty that had emerged with the execution of the king. *Sovereign* indicates a position that anyone can occupy: the monarch, the people, or any other substitute.

For this reason, Hobbes traced the emergence of the position of the sovereign in terms of its logic, rather than historically (diachronically). The same is true for the establishment of money that Marx uncovered in *Capital*. In "The Value-Form, or Exchange-Value," Marx tries to deduce the logic behind the emergence of the position that is value form as being this sort of "joint contribution of the whole world of commodities."¹⁰ He did not attempt here to explain the actual historical creation of money. In fact, in *Capital* Marx takes up the diachronic creation of money in the chapter "The Process of Exchange," which follows after the chapter on value.

The logical theory of power in Hobbes and Marx
The standpoint of commodity owners

Accordingly, what is important in the theory of value form is not the actual origin of money but rather the origin of the money-form. When something becomes money, this has nothing to do with what it is made of; it happens simply because this thing has been placed in the position of money-form. According to Marx, this was the social contract of the commodity world. Why commodities and not people? It goes without saying that a social contract can only be carried out by people, not commodities. But the people in question here are people as possessors of commodities, people defined as owners under the category of commodity. For this reason, the position in which individual people are situated is of more importance than their individual wills. For example, the standpoint of someone who holds a commodity is different from that of a person who holds money. People who have money can buy things or hire people. By contrast, a person who has only a commodity (including the commodity of labor power) occupies a relatively weak position. In this way, the world created by commodity exchange, while grounded in the consent of people, acquires an objectivity that transcends human will. Herein lies the secret of the power of compulsion possessed by money; it is different from the *hau* found in the reciprocity of the gift.



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World Money

Let's consider here what Marx called the simple, isolated, or accidental form of value. It is created through equivalence, but equivalence is not something that begins only with commodity exchange. Gifts and gift trade also involve an awareness of equivalence. The basis of this equivalence is not simply arbitrary: equivalence was determined by custom or tradition, but behind this lay the social labor time required to produce an object. The appearance that equivalence was set by custom is due to the almost imperceptibly slow rate of transformation in the natural environment and production technology. Of course, people are not conscious of this background factor. In the act of drawing equivalences, the value of one thing comes to be expressed as the use value of some other thing: "They do not know it, but they do it."¹³

Karl Polanyi in *The Livelihood of Man* stresses that equivalence is not price. From Marx's point of view, this means that price is determined only when all goods are placed in a system of interrelationship by way of a universal equivalent; equivalence can exist prior to this, but not price. In other words, with simple value form or expanded value form, there are only chains of equivalent relations. The shift from this to the general value form (or universal equivalent) requires a significant leap. What this means in actuality is the appearance of the money-form. An additional subsequent shift leads to the use of precious metals as money. At this point the system of interrelationships of commodities in all regions becomes visible through a single shared yardstick. This marks the emergence of world money, another major transformation.

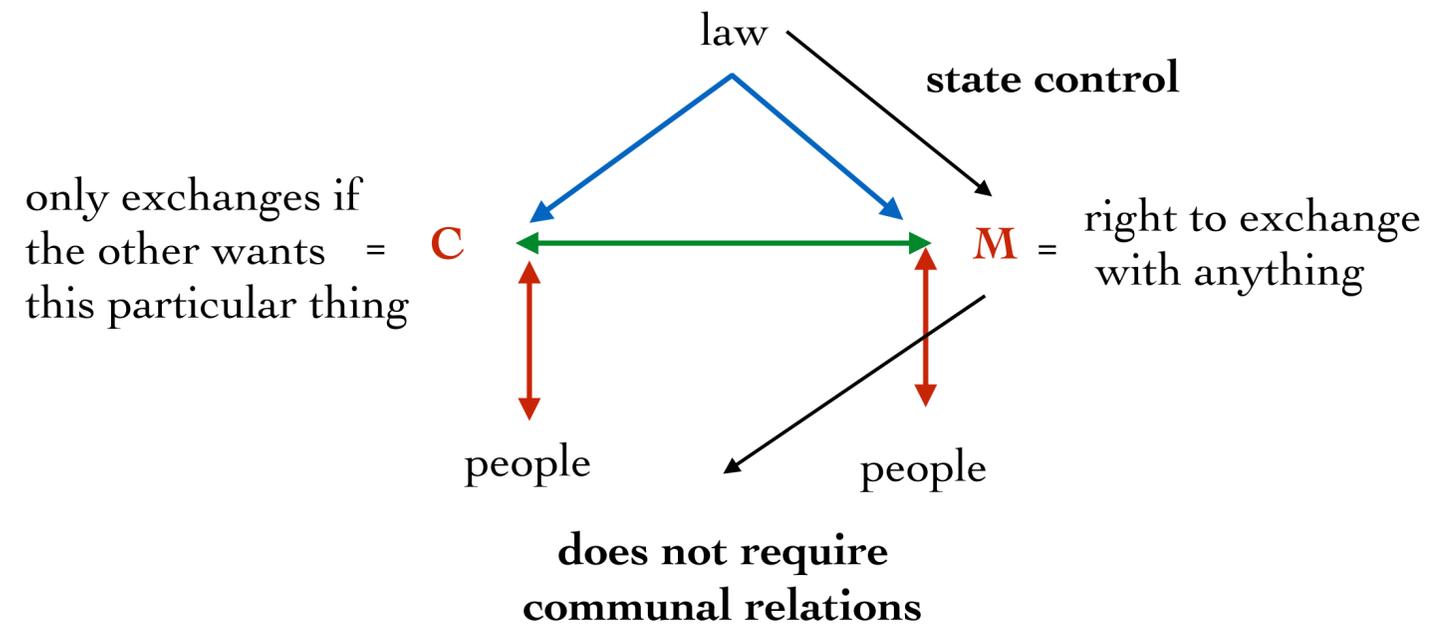
Equivalence, price and the material support of money
The minting of money by the State
External money and universal measure

This series of shifts from equivalent to world money parallels the shifts from tribal community to city-state to territorial state (empire). The earliest use of precious metals for money seems to have been the silver currency of Mesopotamia (gold was treasured in Egypt but not used as money). It is important to note here that the shift from equivalent to world money does not mean that the equivalent was completely replaced by world money. Just as multiple states and tribal communities continue to exist even after being subordinated to a supranational state (empire), multiple equivalents or universal equivalents persist even after being subordinated to world money. In practice, world money is used only for settling accounts in international trade, while within each country local equivalents or universal equivalents continue to be used. But this persistence should not mislead us into thinking that world money did not yet exist.

Precious-metal money is minted by the state. Its ability to circulate globally does not, however, derive from the power of the state: whatever the case may be within the domain covered by state power, the power of money to circulate beyond that realm does not come from the state. The state's role here is limited to determining and guaranteeing the weight of precious metal used in coins. This is, of course, a matter of utmost importance: if the amount of precious metal had to be measured anew with each exchange, trade would in effect be impossible. On the other hand, with this backing of the state, precious metals only have to be used when settling up accounts. Nonetheless, the power of precious-metal money to circulate worldwide is not something owing to the state. To the contrary, the state's ability to mint money depends on this power.¹⁵

To repeat, external money (world money) must itself be a commodity (use value). Within a single value system (the relational system of commodities), this commodity serves as the yardstick of value for all other commodities. It is able to function as a yardstick of value because it fluctuates as one commodity within the total relationships of all commodities. Moreover, because this money is in itself a commodity, it is also able to enter into other commodity systems (systems of value). As a result, this commodity functions as a world money, circulating across different value systems. If we want to understand money, we need to think in terms of external money. In other words, we cannot understand money only by looking at it locally, within a single country—in the same way that we cannot understand the state if we confine ourselves to the context of a single country.

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The transformation of money into capital

Mode of exchange C differs from modes A and B in that it is grounded in mutual consent. This is what makes people imagine a relation of equality when they speak about commodity exchanges or the market. Yet the person who has money and the person who has a commodity are not equal. It's a question of whether the commodity will sell—if it fails to sell, it has no value. The person who has money can always exchange it for commodities: it carries the right of direct exchangeability. To own money is to possess a “social pledge” that can be directly exchanged at any time and any place for any commodity.²⁰ This relationship between money and commodity determines the relationship between their respective owners. Through this seemingly free and equal relation, mode of exchange C produces a kind of class domination different from that which is grounded in fear. In modern industrial capitalism, this takes the form of the relationship between money and the labor-power commodity—that is, between capitalist and proletariat. We must not confuse this with slavery or serfdom systems.²¹

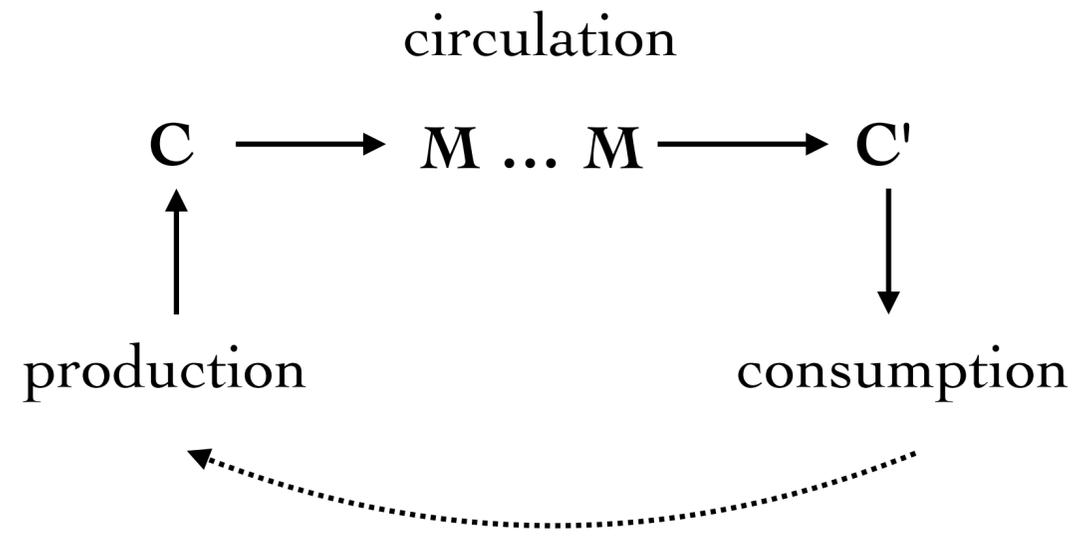
In his theory of value form, Marx traces this relation between money and commodity back to the equivalent and relative forms of value. The power held by a commodity serving as money is due to its being positioned as the universal equivalent. It is a power that arises from the social contract of commodities. But once money comes into being, an inversion takes place. Money is then no longer simply the means used to carry out commodity exchange; insofar as money has the power to be exchanged at any time for any commodity, it gives rise to the desire for, and the concomitant practice of, accumulating money. This is the origin of capital. The accumulation of money has to be distinguished from the accumulation of use values. The accumulation of capital is driven less by a desire for use values (objects) than by a desire for power.

*Mode C between mutuality and inequality
Capital and the power of exchangeability
Commodity exchange and the fatal leap*

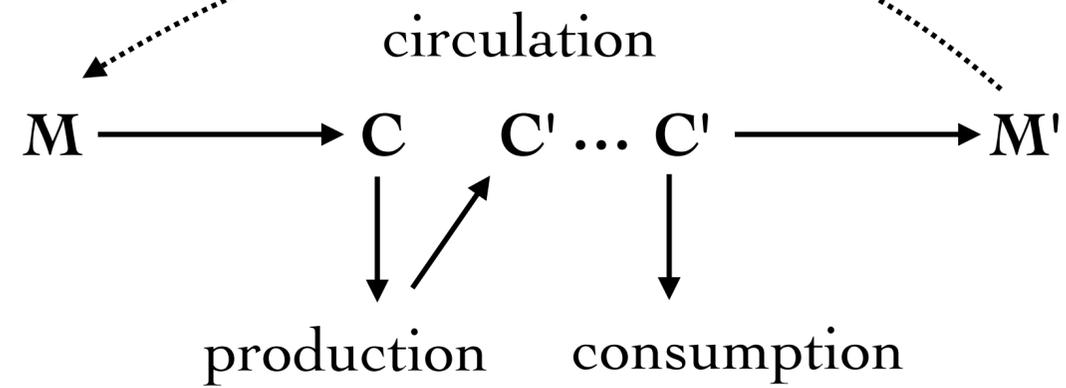
In contrast to the miser, merchant capital aims at the self-valorization (accumulation) of money through the process of money → commodity → money + α (M-C-M'(M + Δ M)). According to Marx, “This boundless drive for enrichment, this passionate chase after value, is common to the capitalist and the miser; but while the miser is merely a capitalist gone mad, the capitalist is a rational miser. The ceaseless augmentation of value, which the miser seeks to attain by saving his money from circulation, is achieved by the more acute capitalist by means of throwing his money again and again into circulation.”²⁵ The capitalist is a rational miser. In other words, the motivation behind the movements of merchant capital is the same as that which drives the miser's hoarding (money fetishism). As a “rational miser,” the capitalist throws capital into circulation in order to see it increase: he takes on the risk of buying and selling commodities. Money carries the right to be exchanged for commodities, but commodities do not have the right to be exchanged for money. Moreover, if a commodity fails to sell (if it cannot be exchanged for money), not only does it have no value, but it also has no use value. It is simply waste to be discarded. This is why Marx called the question of whether a commodity can be exchanged for money the “fatal leap” (*salto mortale*). Our rationalist-miser capitalist who wants to propagate money through the process money → commodity → money (M-C-M') must venture the fatal leap: commodity → money (C-M').

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commodity exchange



formula of capital



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*Mode C between mutuality and inequality
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The transformation of money into capital

The danger here is temporarily sidestepped through credit. According to Marx, this means to anticipate (C-M') in ideal form. It takes the form of issuing a promissory note that will be settled up later. At this moment, the selling-buying relationship becomes a creditor-debtor relationship. Marx argues that this credit system emerges as a natural development with the expansion of circulation and that it in turn further expands circulation. The credit system both accelerates and extends the circuit of movement of capital, because it enables the capitalist to make additional new investments without having to wait for the completion of the M-C-M' process.

With regard to credit, let me note that money too in a sense first appeared as a form of credit. For example, in bartering for products that have different seasonal production schedules, one first receives the other's goods and then later hands over one's own goods. In such cases, some sort of symbol is used—credit money. Even after metal coins became world currencies, in actual exchanges promissory notes were still used. Moreover, these notes themselves were used as money. Accordingly, any economic world that is based on money is a world of credit.

The problem of credit shows how intimately mode of exchange C is bound up with modes A and B. For example, Marcel Mauss saw the gift as the origin of credit trading:

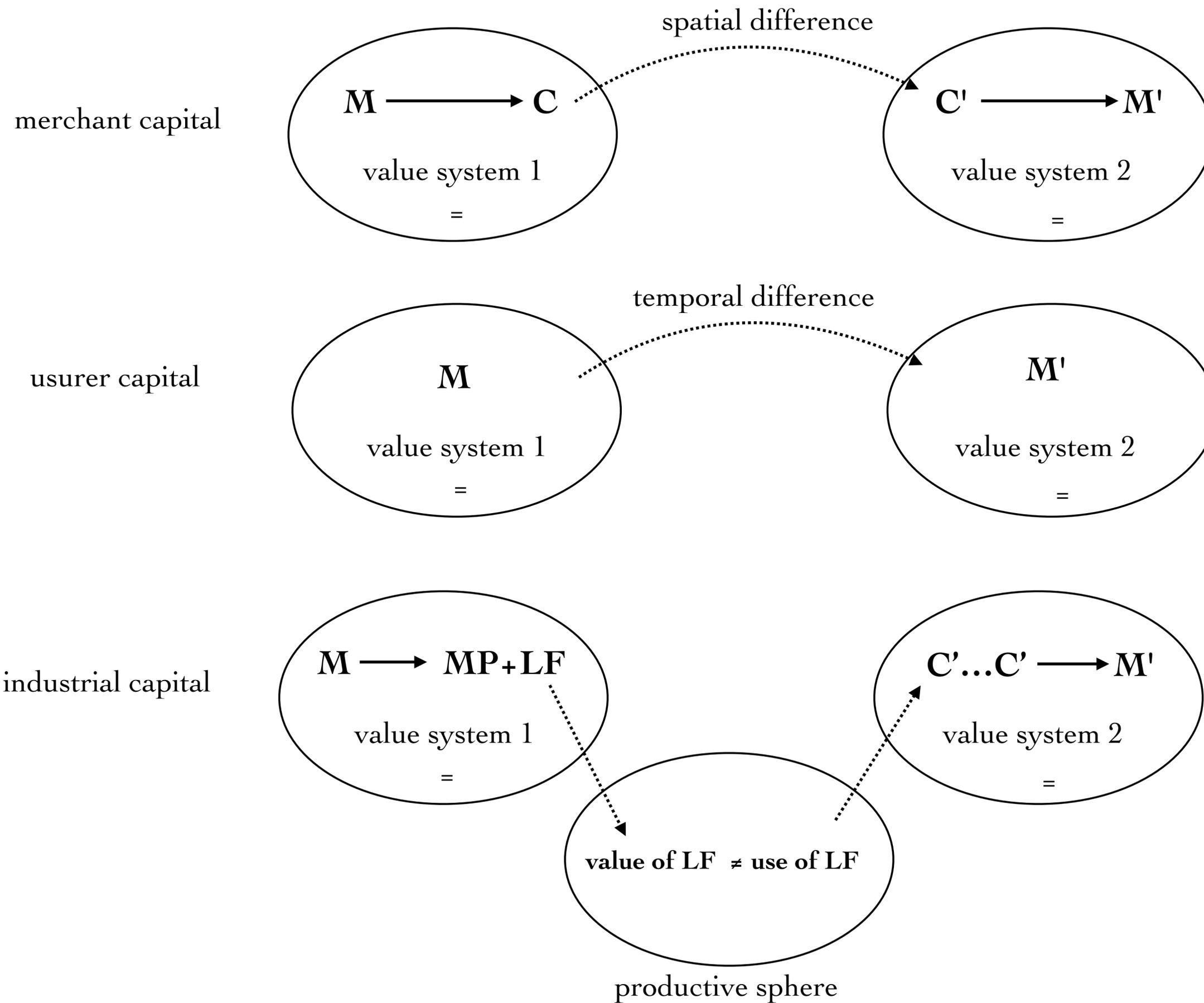
Credit is sustained by the idea of communality shared by parties to the exchange. The person who takes on debt must necessarily repay it. In this way, credit in mode of exchange C is sustained by mode of exchange A. At the same time, we cannot overlook how credit is also supported by the state—that is, by mode of exchange B. This is because the state provides the ultimate backing to credit through its punishment of those who default on debts. Nonetheless, the credit that is produced through mode of exchange C creates its own distinct world.

*Credit system: mode C and mode A
Usurer capital and temporal boundaries*

With money and credit, commodity exchanges can be carried out that transcend limitations of space and time. It was the spatial expansion of commodity exchange that made possible the activities of merchant capital. This is because exchanges that cross boundaries between different spaces generate surplus value. What is important to note here is the problem of temporality that arises from money and credit. With money and credit, it becomes possible to exchange not only with others in the shared present, but also with others who exist in the future. At least, this is what is believed. This in turn gives rise to a type of capital different from merchant capital.

For example, if a potential investment seems certain to bring a profitable return, a merchant will make it even if he or she has to borrow money to do so. In such cases, the person who lends the money is paid interest. With this we have the rise of interest-bearing capital (M-M' . . .). In this situation, capital itself is thought to possess the power to produce interest. The “fetish character” (Marx)²⁷ of money reaches its maximal form in this interest-bearing capital: “In M-M' we have the irrational form of capital, the misrepresentation and objectification of the relations of production, in its highest power: the interest-bearing form, the simple form of capital, in which it is taken as logically anterior to its own reproduction process; the ability of money or a commodity to valorize its own value independent of reproduction—the capital mystification in the most flagrant form.”²⁸ This being the case, simply to stockpile money now means to lose out on interest. In Marx's words, “it is only in usury that hoard formation becomes a reality for the first time and fulfills its dreams. What is sought from the hoard owner is not capital but rather money as money; but through interest he transforms this money hoard, as it is in itself, into capital.”²⁹ Money in and of itself does not have the power to produce interest. It is produced rather through the movement of merchant capital (M-C-M'). Yet these are not completely separate things. The actions of merchant capital are themselves already speculative in nature: “Usurer's capital belongs together with its twin brother, merchant's capital, to the antediluvian forms of capital.”³⁰ The existence of these forms of capital since antiquity means that the world created by mode of exchange C, far from being a materialist, rational base structure, is fundamentally a world of credit and speculation, a speculative world. In terms of form, merchant capital and usurer capital are carried on in modern capitalism: M-C-M' and M-M' continue to exist as links in the process of the accumulation of industrial capital.

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Seen from this perspective, the merchant's activity of M-C-M' consists of two equal exchanges, C-M and M-C. This is how a series of individually equal exchanges can, when carried out across different value systems, generate surplus value through buying low and selling high. If the difference between value systems is small, then the resulting margin will be small, just as a large difference will produce a large margin. This is why merchant capital emerged in the latter kind of situation—in long-distance trade. But it did not immediately lead to the emergence of private traders, because the state maintained a monopoly over trade. One reason for this was the danger involved in long-distance trade. Long-distance trade was impossible without the armed power of the state. Associations of merchants could arm themselves, but in such cases they were already operating as small-scale states.

Polanyi stressed that long-distance trade in antiquity was carried out by the state. He distinguished between that sort of trade and local markets: as a rule, trade was carried out by state officials or their equivalents. Trade was carried out at fixed prices and so could not be profitable. Accordingly, this kind of trade was driven not by a desire for profit but through a "status motive."³¹ Its participants did, however, receive treasure or land from their ruler as compensation. By comparison, private trade pursued according to the "profit motive" remained small scale and impoverished, producing only minimal income and hence, according to Polanyi, it was looked down upon.

But even the state's own long-distance trade was fundamentally based on the profit motive. The fact that long-distance trade by the state was carried out according to fixed prices and the fact that it generated enormous profits are not in contradiction. Commodity prices appeared to be fixed because of the very gradual pace of changes in natural conditions and production technology. Nonetheless, price changes did occur, because the state created new export goods by pursuing irrigation agriculture, mining, and similar under-

Surplus and different value systems
State monopoly over trade
Trade and market

takings. These were of sufficient importance to cause the rise and fall of ancient states. But such changes were infrequent, and so trading prices in practice were roughly fixed. By engaging in trade, states were able to cheaply acquire from abroad what was expensive at home. In such cases, both trading partners benefited and thus these were regarded as equal exchanges.

In discussing the premodern period, Polanyi distinguishes between trade and market. The unification of trade and market and the operation of market mechanisms to determine prices date back only to the late eighteenth century. Before that—and especially with regard to antiquity—he maintains, we need to distinguish between the two.³⁶ As I've already noted, trade and market differ as follows: in the former, exchange takes place across widely different value systems, while in the latter, exchange takes place in local markets not marked by large differences. In the latter, even if differences and fluctuations arise to some degree, the margins they yield are limited. At

best the merchant is permitted to obtain only handling fees that are seen as legitimate. To gain profits greater than this is perceived as fraud and not permitted over any length of time. Moreover, in ancient states, the prices of daily necessities were fixed at official rates, and necessities such as grains were subject to rationing. For this reason, such retailers were kept to a small scale. Moreover, in the market exchanges were carried out through credit: the currency used in the local market was different from that employed in external trade.

There were, however, exceptions in the ancient world: Greece and Rome. There, trade and market were one. In concrete terms, in Greece coins (including not only precious metals such as silver and gold but also base metals such as bronze and iron) were widely adopted. This meant that the external money (precious metals) used in trade and the local money (base metals) used in the market were mutually exchangeable, which meant in turn that the market and trade both belonged to a single price-setting system. Why did this occur among the Greek poleis? I will take this up in more detail in the next chapter, but to sketch in the answer briefly here, it was because in Greece there was no centralized order, no bureaucratic structure capable of regulating prices. Rather than establish a bureaucratic structure, Greece entrusted the setting of prices to the market.

We need to be cautious, though, about accepting the conclusions that a market economy and world-economy were established in Greece and that these led to democracy. Clearly, mode of exchange C had entered into the picture, but there was no possibility yet of it becoming the dominant mode. For example, in the various Ionian cities established by Greek colonizers, commerce and industry were highly advanced, and they produced many philosophers, scientists, and doctors. Nonetheless, the cities' glories were easily extinguished by the Persian conquest. Athens, on the other hand, defeated the Persians on the battlefield, yet never produced the kind of highly developed commerce and industry seen in Ionia. Athens became a center of international trade, but this trade was mostly left in the hands of foreigners, including resident foreigners. The citizens of Athens remained to the end warrior-farmers who scorned commerce and industry.

The penetration of a money economy damaged the civil society (the community of rulers) of the Greek city-states. This development exacerbated economic disparities and led to widespread indentured servitude among the citizens. This was a crisis not only for the polis community: it also meant a military life-or-death crisis for the state in those poleis that relied on universal military service in which all were expected to provide their own armor. The Greek poleis tried many different policies to counter this. One extreme was represented by Sparta, which banned trade and aimed at an economy of self-sufficiency. This was made possible by conquering another tribe (Messenia) and making its people into agricultural serfs (helots), but this in turn made inevitable the rise of a militaristic order, constantly on guard against possible slave revolts. The other extreme was represented by Athens. It did not reject a market economy, but instead pursued measures for resolving the class conflicts that arose among the citizens: democracy.

The move to democracy in Athens was nothing more than an attempt to preserve the existing community of rulers within the polis. This democracy led to an ever-increasing expansion of slave-system production: citizens who devoted themselves to matters military and political had no time to engage in productive labor. As this indicates, the Athenian state was grounded in mode of exchange B—albeit of a different type from that found in tribute-based states like Persia. No matter how extensively mode of exchange C might develop, it could not achieve supremacy over mode B. Under a state based in mode of exchange B, even as it rivaled that mode, mode of exchange C's continued existence depended on being subordinated to and complementing mode B. This situation would remain fundamentally unchanged until modernity.

In order for mode of exchange C to become the dominant mode in the social formation, a great leap is needed—just as was the case when mode of exchange B became dominant only with the emergence of the state.

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The cases where mode C connected with mode A before B: Greece and Rome
The primacy of A over C in Greece
Greek Democracy as a reaction of B to the demise of A under C

Asiatic Despotism and Empire

World-empires are sustained by the various principles and technologies that exist between communities. In chapter 4 I discussed the world money minted by empires. The minting of currency and the standardization of weights and measurements lead to a rapid expansion in the volume of trade carried out within the empire. Yet world-empires are not sustained by world money alone.

For example, a world-empire also needs a law that transcends its individual communities. Empires have to consider not only how to rule over the various tribes and states but also how to secure their “in-between”—in other words, how to ensure the safety of the intercourse and commerce that occur between an empire’s various tribes and states. The law of an empire is in essence international law. The laws of the Roman Empire became the basis for what would be called natural law, but they were essentially international law. The same was basically true of other empires, even when not as clearly stipulated. For example, the Chinese empire recognized the status of the various tribes and states under its umbrella, so long as they offered the required tribute payments; moreover, since these tribute payments were answered with return gifts of equal or greater value, this really amounted to a form of trade. Empires do not interfere in the internal affairs of their constituent tribes and states, so long as these affairs pose no threat to the security of trade conducted within the empire. Toppled world empires always seem to get reconstituted overnight because the new conqueror, whoever it is, is actively welcomed as the new guarantor for the security of the existing order of international law and trade.

A third characteristic of empires is that they possess a world religion. World empires are formed through the unification of multiple tribes and states; for this to happen, there needs to be a universal religion that can transcend all of the local religions in those states and communities. When the Roman Empire expanded, it had to adopt as its base the religion of Christianity, which until then had been a target of imperial persecution. In the same way, when the empire of China expanded to a Eurasian scale, the philosophy of legalism (of the first Qin dynasty emperor) and Confucianism (Emperor Wu of Han) became inadequate as unifying forces. This is why Buddhism was introduced by the Tang dynasty as it pursued a dramatic territorial expansion. The world empire of the Mongols adopted Buddhism as well as Islam. These world religions also penetrated into the tribes and states located within and on the peripheries of the empire. For example, the Yamato court of Japan used Buddhism to secure its own foundation. This is because even small states, when they reached the scale of encompassing multiple tribes, needed a universal religion that could transcend the various local tribal gods. It is also noteworthy that theology in world empires tended to become rationalistic and comprehensive—as we see with Avicenna (Ibn Sīnā) in Arabia, Thomas Aquinas in Europe, and Zhu Xi in China.

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The structure of World Empires: money, measure, language, international law, world religion

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A fourth characteristic of empires is world language (*lingua franca*). This is a written language used by multiple tribes and states—for example, Latin or the Chinese and Arabic writing systems. Countless languages (*parole*) can be spoken within the empire, but these are not regarded as true languages (*langue*)—they occupy the same position as today’s dialects. Moreover, since the law, religion, and philosophy of the empire are all expressed in this world language, the distinguishing feature of empire is manifested above all in language.

These traits are shared in common by all world-empires. But world-empires also differ from one another in certain aspects. We can classify them according to the following four distinct types:

Irrigation type: western and eastern Asia, Peru, Mexico

Maritime type: Greece, Rome

Nomadic type: Mongol

Merchant type: Islam

Historically, world-empire first appeared with the irrigation type—that is, with the Asiatic despotic state. We find its prototype in Sumer. The empires that subsequently appeared in west Asia all inherited in various forms systems that had originated in Sumer, including its writing, language, religion, and bureaucracy. It was the First Persian Empire that put these all together into a more comprehensive structure. The techniques used by Darius the Great (regnant from 522–486 BCE) to unify the empire became a model for those who followed him—for example, centralized administration, administrative districts, postal systems, minting currency, the use of Aramaic as a unified official language, and religious and cultural tolerance. In East Asia, a full world-empire was finally established with the Tang dynasty, more so than with the earlier Qin and Han.

The singularity of World-Empires based on geography and borders

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The other types of empire rose up on the periphery of the Asiatic empires and in relation to them. Karl Wittfogel's views are suggestive in this regard. As I've already noted, Wittfogel is remembered primarily for his theory of irrigation agriculture and the despotic state, but of even greater importance is the perspective he offered in taking what had been seen as historical stages of development and rethinking them in terms of a synchronous spatial structure. He saw the Oriental despotic states (hydraulic societies) as consisting of a core, around which were ranged the margin and submargin. Many have seen the world in terms of core and margin, but Wittfogel's unique contribution was to distinguish further between the margin and the submargin that lies beyond the margin.¹

This seems to resemble the differentiation between core, semiperiphery, and periphery that Immanuel Wallerstein later proposed for the modern world system (world-economy). Wallerstein took up the theory of “dependency” that Andre Gunter Frank proposed—the theory, that is, that core exploits periphery by extracting wealth through commodity exchange—and added to it the concept of semiperiphery. This made it possible to see the core-periphery relation not as fixed but as fluidly dynamic—in, for example, the way a given region might move up into the core position or recede into the periphery.

*The space of Empires: core, margin, submargin, out of sphere
World-system's theory and the passage from Empire to W.Economy*

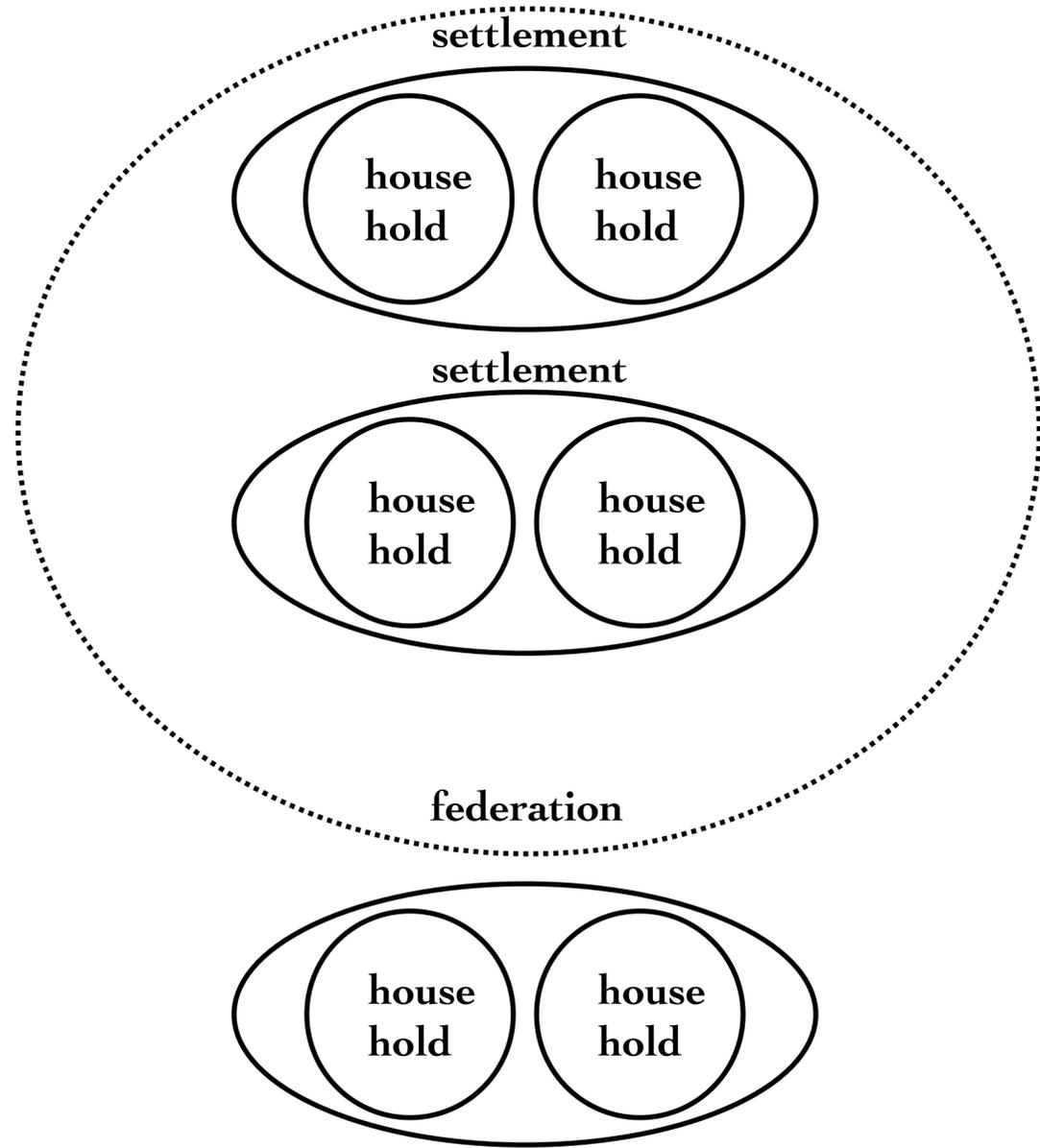
Wallerstein seems to have been unaware that Wittfogel had earlier pointed out a similar geopolitical structure existing before the modern world system, at the stage of world-empire. The resemblance here, however, is only apparent: the core-semiperiphery-periphery structure of world-economy and the core-submargin-margin structure of world-empire are governed by completely different principles. In world-economy the dominant principle is mode of exchange C, while in world-empire it is mode of exchange B. Accordingly, the phenomena of margin and submargin in world-empire are formally quite different from their seeming counterparts in world-economy.

In world-empires, the margin was conquered and absorbed into the core. There were also cases where the margin invaded and conquered the core. In either case, the margin tended to be assimilated into the core. But submargins, unlike margins that directly bordered on an empire-civilization, were able to pick and choose which elements they would adopt from the empire-civilization. If they were too distant from the civilization, they would remain a tribal society; if they were too close to the civilization, they would likely either be conquered or absorbed. Therefore, to further clarify the argument here, I would like to add one additional category: the *out of sphere*. People who wanted to evade the control or influence of the core withdrew beyond the margin or submargin to the out of sphere, in other words to mountain or frontier regions, where hunter-gatherer society was able to survive.

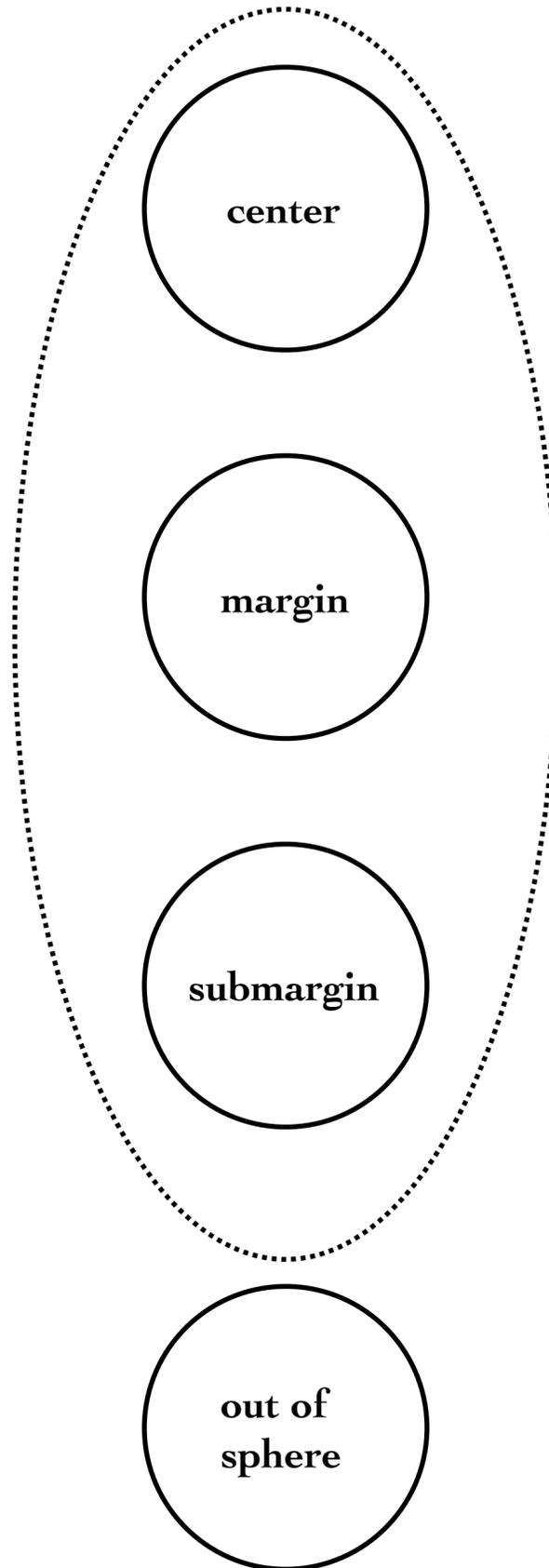
The premodern world system consisted of multiple world-empires, their margins, relatively few submargins, and the out of sphere. When the modern world system (world-economy)—that is, the capitalist market—covered the globe, first, the out of sphere was enclosed by the state. Countless so-called primitive peoples were forced to “civilize.” In that sense, they were assigned to the periphery of the modern world system. Second, the margins of the old world-empires became the periphery of the new world-economy. Third, the submargins of the old world-empires were situated as the semiperiphery of the new world-economy, and in a few rare cases, such

as Japan, these submargins were able to move into the core. Fourth, the cores of the old world-empires were pushed into the periphery. Unlike the former margins, the old world-empire cores, with their highly developed military and bureaucratic state machineries, were not content with their new positions on the periphery of the world-economy.²

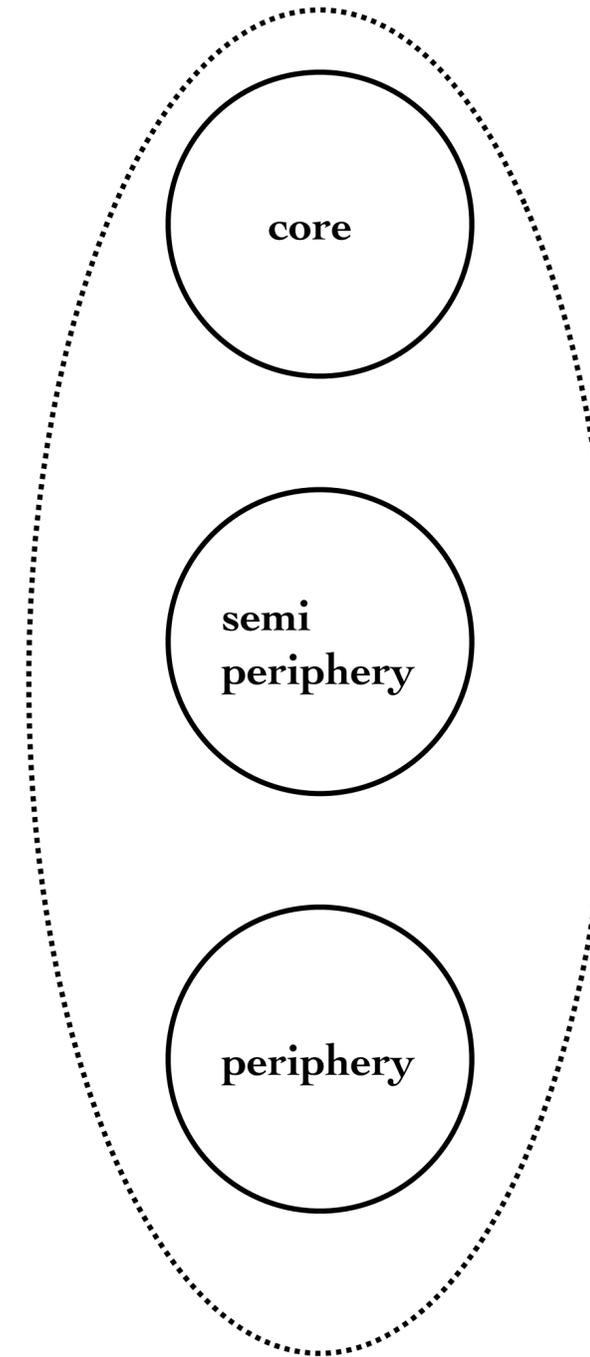
A



B



C



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Margin and Submargin

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The margins of world-empires were either overwhelmed or annexed by their cores. Only nomadic peoples who refused or had no need to adopt sedentary settlement were able to resist this fate. Unlike agrarian communities that were subordinated to the state, these nomadic peoples preserved the customs of hunter-gatherer and clan society. They placed great importance on “contracts” between tribes governing the use of pastureland, springs, and wells. For this purpose they established tribes and tribal confederations, but these almost never transformed into states. They did, however, from time to time join together into armed bands to invade and plunder the core, at times even seizing control over the existing state structure.

How does a submargin differ from a margin? As examples of submargins, in addition to early Greece and Rome, Wittfogel cites the Germanic tribes, Japan, and Russia prior to the Mongol conquest (the Tatar yoke). Submargins lie beyond the margins, but they are not completely outside. A submargin is not as directly connected to the core civilization as the margin, but a submargin is also not so distant as to be completely estranged from the margin. Maritime societies often fulfill the conditions that define a submargin. Through maritime trade, they are connected to the core of the empire, but since they are not connected by land, they avoid being conquered and are able to establish their own independent worlds.

In this way, a submargin is able to selectively adopt elements of the civilization system of the core. In concrete terms, submargins adopted the civilization (writing system, technology, and so on) but fundamentally rejected the centralized bureaucratic structure that existed in the core. This is because, in contrast to the way the margin is assimilated to the core, the submargin preserved to a great degree—albeit not to the same extent as the out of sphere—the principle of reciprocity (mode of exchange A), which rejected hierarchy. Even as submargins imported the civilization of the core, they did not completely submit to it and were able to develop it independently on their own terms. In them too there was little state control over exchange and redistribution, and economic matters were entrusted to the market. This is why world-economy would develop from the submargins.

*Margins x Submargins — and their destinies
Culture at the submargins of Empires*

Karl Marx attempted to explain the social formations of Greece and Rome in terms of a slave-system mode of production. But the slave-system mode of production cannot explain what distinguished Greece and Rome so fundamentally from the Asiatic despotic states. The Asiatic despotic states (world-empires) adopted a strategy of ruling other states and communities by imposing forced labor and tribute obligations on them, but not interfering in their internal affairs. They too had slaves, but there was no slave-system mode of production. Greece and Rome, on the other hand, never developed a tribute state model, and in them market and trade were allowed to develop free from official state control. The particular slave system that arose in Greece and Rome was a consequence of that kind of world-economy. Hence, the real question to ask here is why a world-economy developed in Greece and Rome.

To reiterate, the phenomena we see in Greece and Rome were characteristic of a submargin. For example, in the case of Greece, the preceding Mycenaean civilization was marginal—it was under the influence of the Egyptian centralized state. But the Greeks who emerged after Egypt’s collapse were submarginal. They imported the technology of iron implements from western Asia and the writing system that Phoenicians had developed out of Sumerian cuneiform script, but they did not adopt the political system of the imperial core. As a result, the Greeks were unable to construct a world-empire. In the end, neither Athens nor Sparta was able to even unify the various Greek poleis.

Rome was a city-state like the poleis of Greece, but by making citizens of the leading figures of the city-states and tribes that it conquered, and by ruling through a universal law, Rome was able to expand its territory. In short, Rome was able to establish a world-empire by suppressing the exclusionary communal principles of the polis. But Rome was not able to completely abolish the principles of the polis. A clash between the principles of the polis and those of the empire continued to exist at the root of the Roman Empire. The Roman Empire was able to expand its territory beyond the scope of the First Persian Empire to become the largest empire in history, including western Europe in its domain. But that is not why the Roman Empire is of importance for our purposes: rather, it is because it displays in the clearest form this conflict in principles between polis and empire. This would recur in the modern period as a problem of the nation-state and imperialism or regionalism.

Feudalism as Submargin

If we can say that Greece and Rome arose on the submargins of the Asiatic empires, then we can likewise say that feudalism (the feudal social formation) arose on the submargins of the Roman Empire—with, that is, Germanic tribal society. Looking at the question this way, we come to see that Marx's distinctions between Asiatic, classical, and feudal do not mark successive diachronic stages but rather positional relationships within the space of a world-empire.

Because feudalism led to the subsequent development of capitalism and the triumph of western Europe, it is often assumed that it must be something unique to western Europe. In fact, though, just as the special characteristics of Greece and Rome were the result of their being situated on the submargins of the Egyptian and Asiatic empires, the phenomenon of feudalism in western Europe arose because it was situated on the submargins of the Roman and Islamic Empires. In sum, the characteristics of feudalism are not something unique to the "Occident," but are rather the result of the relationship between core, margin, and submargin. This becomes clear when we look at an example of feudalism from East Asia: Japan.

Both Marx and Weber paid close attention to the rise of feudalism in Japan.¹⁸ Needless to say, feudalism here means a system grounded in relationships of personal loyalty—in other words, a mutually binding contractual relationship of fief for loyalty between lord and retainers. The Annales School historians Marc Bloch and Fernand Braudel also took note of this case. But to the best of my knowledge, the only persuasive explanation for why this came about was provided by Wittfogel.¹⁹ He argued that Japanese feudalism was the result of its being situated on the submargin of the Chinese Empire.

The capacity for adopting only selectively the civilization of the empire is not some quality unique to Japan, but rather a characteristic shared by all submargins. For example, even within Europe we find differences between regions that were on the margin and submargin of the Roman Empire. Whereas France and Germany displayed characteristics typical of the margin, carrying on systematically the concepts and forms of the Roman Empire, Britain lay on the submargin and hence was able to adopt a more flexible, pragmatic, unsystematic, and eclectic stance. This is why Britain, turning away from the Continent, was able to construct a maritime empire and become the center of the modern world system (world-economy).²²

*Feudalism and the impossibility of central power in Europe
Selective affinities in submargins*

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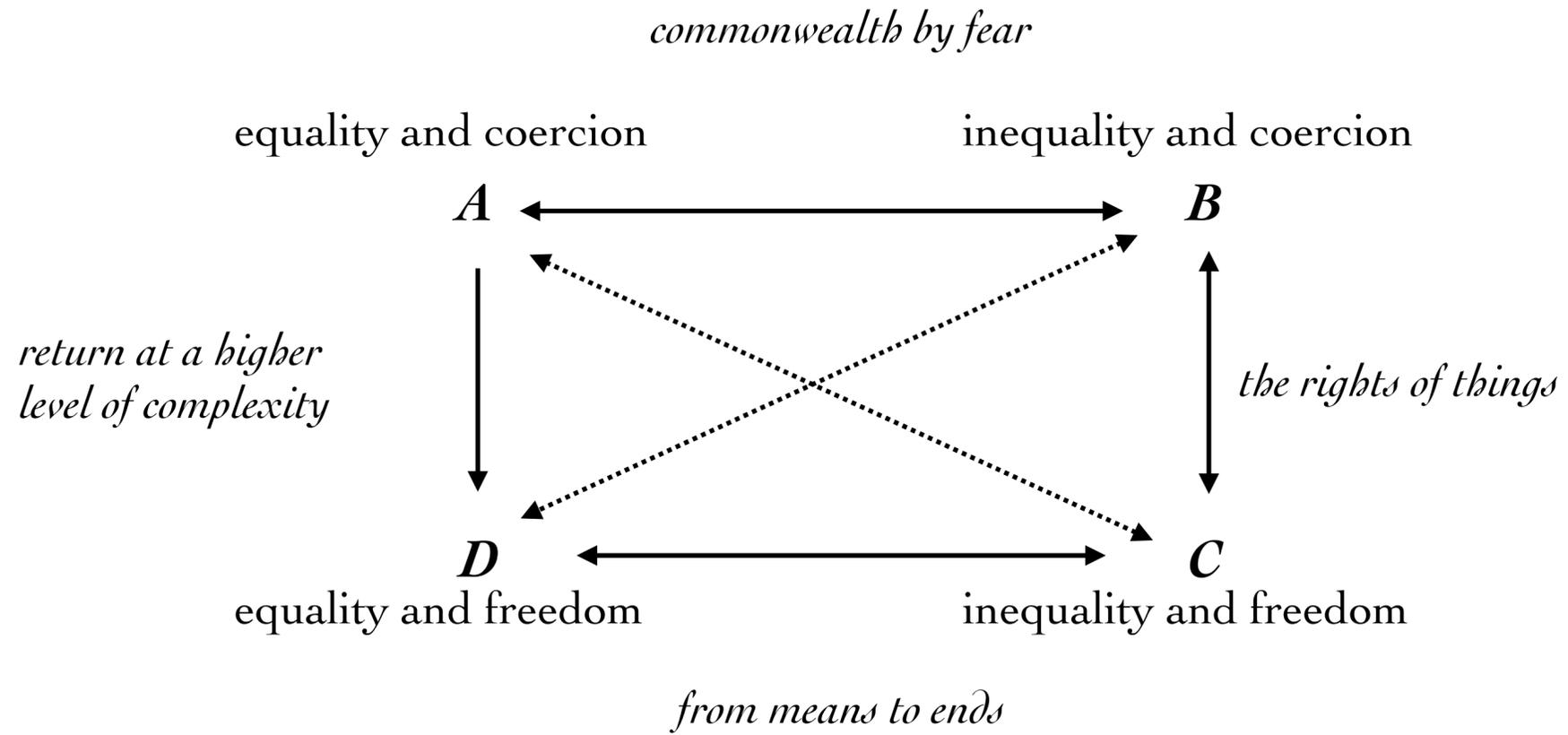
From Magic to Religion

We have so far looked at three modes of exchange and the social formations that arise as combinations of the modes. There is a fourth mode of exchange that arises out of resistance against the other three. This is the position of the fourth quadrant D in table 1 in the introduction. It has several defining characteristics. To begin with, it forms the polar opposite of mode of exchange B—that is, of the principle of the state. In the way that mode D liberates individual people from the constraining bonds of the community, it resembles a market society—in other words, mode of exchange C. And yet at the same time mode D also resembles mode of exchange A in the way that, countering the competition and class divisions of the market economy, it aims at reciprocal (mutual-aid style) exchanges, a market economy that does not lead to the accumulation of capital. This means that mode of exchange D marks the attempt to restore the reciprocal community (A) of the first quadrant on top of the market economy (C) of the third quadrant. In this situation, mode of exchange A is restored—and yet it no longer has the power to bind individuals to the community. In that sense, mode D is possible only on the condition that mode C already exists.

Mode D is further differentiated from the other three modes of exchange in that it is an ideal form that can never exist in actuality. In historical reality, it was manifested in the form of universal religions. For example, Max Weber uses the liberation from magic as the yardstick for measuring the development of religion, explicating that development by means of socioeconomic factors. He locates the development of religion in the transformation from magic to religion, or from magician to priestly class, explaining these in terms of the shift from clan society to state society.¹ In his view, the overcoming of magic is realized by modern capitalist society and modern science. I would like though to rethink this problem from the perspective of modes of exchange—because religion is itself rooted in modes of exchange.

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Characteristics of mode D



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From Magic to Religion

I have already taken up the development from magic to religion in terms of modes of exchange. Put simply, magic consists of the attempt to control or manipulate nature or people through gifts (sacrifices), and it is grounded in the principle of reciprocity. For this reason, magic arose and developed in the shift from the society of the nomadic band to that of sedentary clan society—in other words, magic developed in tandem with the rise of reciprocity as an organizational principle. Through this, the social position of the magician-priest was raised. There are limits to this, however, because the principle of reciprocity itself does not permit the emergence of a transcendent position. It is for the same reason that in clan society, the position of the chief was strengthened yet never acquired the absolute status of a king. But after the emergence of clan society—that is, in state society—the “thou” of spirit (*anima*) is rendered transcendent as a god, while nature and other people become simply “it,” available for manipulation.

Magic is still present in state society, but its reality changes. In clan society magic functioned to maintain egalitarianism—for example, the obligations to give, receive, and make counter-gifts were all ways of enforcing equality. Through them magic carried out redistribution. Marcel Mauss explained this as the function of magical power (*hau*). But mode of exchange B, which is dominant in state society, is a relationship of subordination and protection. This too is a bilateral (reciprocal) relation: the rulers provide protection in return for subordination offered by the ruled. Put in religious

terms, this is equivalent to prayers of supplication—when people make prayers and offerings to a god in order to receive its power. This is the beginning of religion in the narrow sense. As Weber argues, religious prayer has something in common with magic: by making a gift to a god, one attempts to extract a *quid pro quo*. But the bilateral nature (reciprocity) in this instance is grounded in mode of exchange B, meaning that it is of a different kind from the reciprocity of magic in mode of exchange A. Prayer differs from magic in that it is directed at a ruler king-priest—and ultimately at a transcendent god. The element of egalitarianism is absent.

There are, however, instances of magic filling an egalitarian function even in state societies: we see this in instances of the right of asylum. Under it, people are freed from social constraints. The right of asylum is universal to state societies. It possesses an ethical significance that liberates people from social constraints and limits. This does not spring up from humanism. Ortwin Henssler argues that the right of asylum originated in magic, not in some ethical significance.⁵ But how could something magical in nature acquire ethical significance? In my view, the right to asylum represents the return of suppressed mode of exchange A (that of nomadic egalitarianism) during the period when clan society transformed into state society. In that sense, the right to asylum harbored an ethical significance from the start. But it was manifested in the form of a compulsion, the return of the repressed—as, in other words, a kind of magical power. State power is not able to touch people who claim asylum because they possess a kind of *anima*.

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The destiny of magic in State society

Magic and prayer

The return of reciprocity in the principle of asylum

From Magic to Religion

In general, though, the remnants of magic function to strengthen mode of exchange B rather than restore mode of exchange A. In the proto-city-state, the chief-priest is markedly more powerful than in clan society. This is because subjugating and ruling over a different clan requires more than military power; it requires a god that transcends the existing local clan gods, and with it the power of priests and other sacerdotal figures increases accordingly. That power is further strengthened through the conflicts carried out between proto-city-states. In the state that emerges through this process, the king-priest is a transcendent, centralized power. This also means that its god acquires an increasingly transcendent status. The state, through its intercourse (warfare and trade) with other states, becomes a state-empire, one that rules over a vast territory and encompasses many tribes and city-states. Through this process the god becomes increasingly centralized and transcendent, as does the king-priest.

The state is established through the military subordination of multiple city-states and tribal communities. But a stable, lasting order cannot be created solely through armed conquest and coercion. The tribute and service offered by the ruled to the ruler must be put into the form of a counter-gift, one offered in return for gifts received from that ruler. This is the role played by religion. For this reason, this kind of religion is a state ideological apparatus. The ruled (the agrarian community) seek aid and comfort through voluntary submission and supplication to the god. This god is in the grasp of the king-priest. In effect, prayers made to the god are prayers made to the king-priest.

This suggests that it is impossible to understand the process by which the clan community is transformed into a state without examining this religious phase. This is because religion itself is rooted in the economic dimension of exchange. Religion, in short, is indivisible from politics and economics. State-administered temples, for example, were also storehouses for stockpiling and redistributing offerings. The priestly class with its high degree of literacy was also the state's official class—just as they were also scientists who contributed to the advancement of such fields as astronomy and civil engineering. The development of magic into religion was nothing other than the development from clan society to the state. As Weber writes in this regard, magicians everywhere were first of all shamans who summoned rain, but in areas with state-organized irrigation agriculture, such as Mesopotamia, magicians lost their function. Crops were now perceived to arrive thanks to the king of the state, who created the irrigation systems that delivered water. As a result, the leader of that state acquired the status of absolute: it was he who delivered the harvest out of barren sands. Herein lays one of the origins of the god who created the world from nothing, according to Weber.⁶

This was not yet a transcendent god, however: if the god failed to answer the prayers (gifts) of the people appropriately, the people would abandon the god. More concretely, if a community or state's god failed them in war, that god was discarded. This indicates that reciprocity persisted in the relation between god and man. In this sense, magic still existed in residual form. The emergence of truly universal religion came with the appearance of a god who could not be abandoned even when prayers were left unanswered or wars were lost. How did this come about?

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*The transcendental rule
From magic to centralized technology
A God that could not be abandoned*

Empire and Monotheism

A state became a geographically extensive empire that encompassed numerous tribes and city-states through a process of intercourse (warfare and trade) with other states. In this process, the local gods of the subjugated communities and states were abandoned, while the god of the victorious country became increasingly central and transcendent, just as its king-priests acquired a more central, transcendent position. When a state brought other communities under its umbrella, naturally worship of the rulers' god was imposed on the ruled, but the local gods of the ruled were not always rejected; frequently, they were simply absorbed into the pantheon of deities and remained objects of worship. This reflected the relationship between the monarchy and the various tribal chiefs (powerful clans) that became retainers. This made it possible to encompass numerous tribes. In such cases, both the monarchy and its god remained relatively weak, roughly equal to the gods of the other tribes. On the other hand, in a more centralized and powerful state, the monarchy's god likewise acquired transcendent status. This transcendent status was rooted in the transcendent status of the state (king); if the state fell, so too did its god.

In this sense, the development of religion is also the development of the state. Naturally, the establishment of an empire resulted in a high degree of transcendence for its god. The logic by which a transcendent god emerged in tandem with a transcendent monarchy and priesthood is clear enough. Nietzsche argues, "The progress of [world] empires is always the progress towards [world] divinities."⁷ These "world divinities" are different from the god of a universal religion. The transcendence of god in a universal religion differs from the transcendence of a world empire or world god, and in fact is something that arises only through the negation of the latter.

The existence of empire is a necessary, but not a sufficient, condition for the emergence of universal religion. For example, monotheism is widely thought to originate in Judaism. But in fact it was not unique to Israel. Monotheistic worship first arose in Egypt, with the Amarna reform of Pharaoh Amenhotep IV (mid-fourteenth century BCE). He abolished the existing polytheism and recognized the sun god Aten as the sole deity. Moreover, he changed his own name to Akhenaten, literally "he who serves Aten." Weber

The war between Gods

Transcendent monarchy and the god of universal religions

The paradox of world religions

Put simply, there was constant conflict between monarch and priesthood. Concealed behind this was another conflict between the monarchy, trying to advance its own position as the supreme, centralized authority, and the local powers (nobility), subordinate yet trying to preserve a measure of autonomy. While the former worshipped a monotheistic god, the latter continued to worship various tribal clan gods. Akhenaten's introduction of monotheism signified the rise of a monarchy capable of subduing the various local gods—in other words, the various local powers.

In addition, we should not overlook another factor that pushed Akhenaten to introduce monotheism: Egypt at the time had expanded its territory to become an empire. For example, in *Moses and Monotheism*, Sigmund Freud argues that Moses was a member of the Egyptian royal family who tried to revive the monotheism that Akhenaten had created but that had subsequently been abandoned. I'll return to this hypothesis again, but for now let me note that Freud too locates the reason for Egypt's adoption of monotheism in its rise as an empire. In order to build an empire, a single omnipotent god capable of dominating the tribes and their local gods that had come under its control was indispensable. Monotheism was rejected after Akhenaten's death, vanishing without a trace. But this happened not simply because polytheistic traditions were strong: unlike the Mesopotamian Empires, Egypt was in no danger of invasion from its peripheries so long as it did not expand in scale, and so it did not require a highly centralized structure.⁹

The necessity in a world empire for a universal divinity, whether monotheistic or not, can be seen in subsequent world empires (Roman, Arabian, Mongol, and so on). Behind these universal divinities lurked the presence of a monarchy, trying to subjugate local nobilities and chiefs who were struggling to preserve autonomy. In fact, universal religions originally appeared in the form of a negation of this sort of world empire and religion. As soon as they achieved stable form, however, they found themselves appropriated into the ruling apparatus of a world empire. What we now call "world religions" rarely extended beyond the former domain of a single world empire.

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Empire and Monotheism

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Nonetheless, universal religions were at origin fundamentally hostile to the elements that composed world empires. We can explain this in terms of mode of exchange. World empires arose from situations where modes of exchange B and C had expanded spatially. Up until now, we have been considering this problem in terms of mode of exchange B—in other words, in terms of the strengthening of the state. But empires are also characterized by mode of exchange C—namely, the development of trade and markets. One of the moments that give rise to the birth of universal religions is the appearance of a world market and world money. Universal religions emerged as mode of exchange D—as a criticism of modes of exchange B and C, which were the dominant modes in world empires.

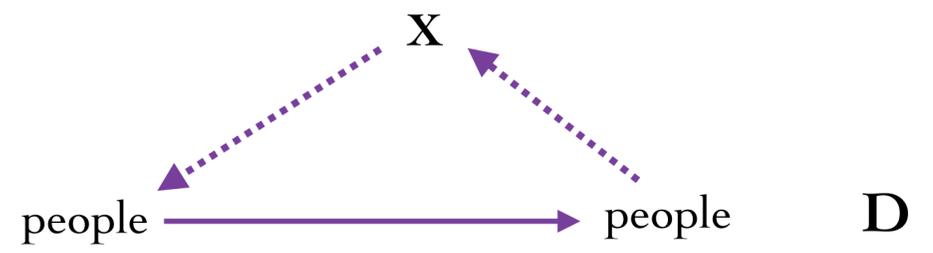
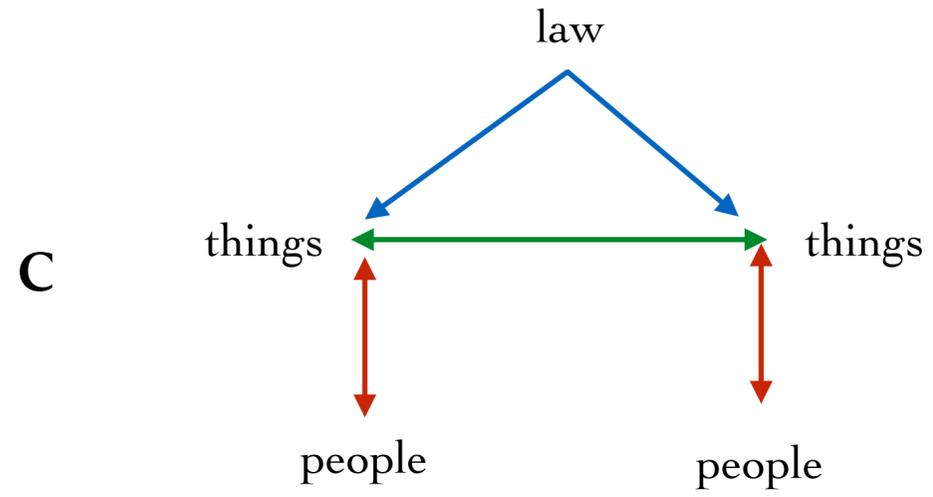
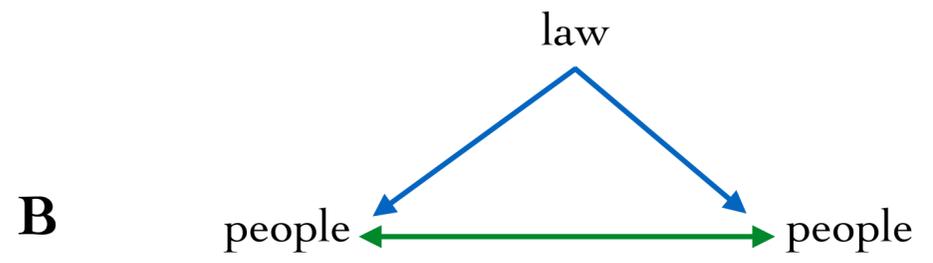
World money circulates universally, transcending any local community or state. In that sense, world money is universal money. World money appears within a world empire, yet it does not depend on the power of that world empire. It depends instead on the universal power of world money (gold or silver) itself. The empire's role is limited to minting coinage and guaranteeing its metallic content. In the absence of such a guarantee, and in the absence of guarantees for its security, trade could not develop. To that extent, we are justified in saying that world empires brought about the world market. But the power of world money is in no way dependent on the state. It is something produced through commodity exchange.

Mode D against the worship of means
Mode D as resistance to Mode C's destruction of Mode A

Among the various local moneys, gold and silver became world money. The worship of money is, to borrow Marx's language, a fetishism, and with the rise of world money, this fetishism became monotheistic. Under this god money, enormous transformations were wrought on society, which still preserved remnants of the older tribal community. Marx writes, "Just as in money every qualitative difference between commodities is extinguished, so too for its part, as a radical leveller, it extinguishes all distinctions. . . . Ancient society therefore denounced it as tending to destroy the economic and moral order."¹⁰

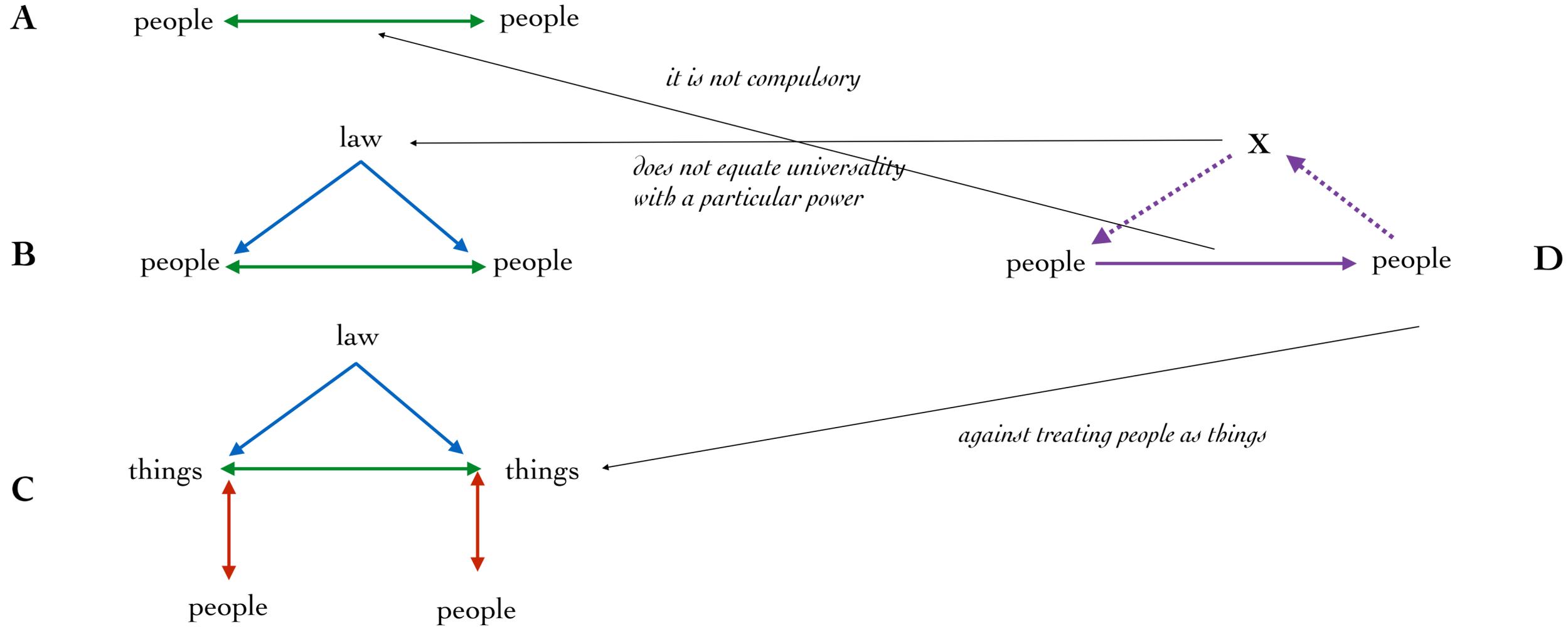
In fact, this "radical leveller" money was the downfall of the clan community. On the one hand, money freed individuals from the constraining bonds of the clan community. Individuals, who until then had been related only through their community, now directly engaged in intercourse by means of world money. These individuals, who until then were constrained by either bilateral (reciprocal) relations or ruler-subordinate hierarchies, now come into relation with one another through exchanges (contracts) mediated by money. The penetration of a money economy lessened the need to coerce others through magic or force: one could now coerce them through contracts entered into by mutual consent. In that sense, the disenchantment that Weber describes first became possible through the money economy. Money transformed people and things into "it": money made it possible to treat people and things as measurable, quantifiable entities.

The money economy freed individuals from the constraints of the community and made them into members of the empire-cosmopolis. In addition, this "radical leveller" undermined the egalitarianism of the community—in other words, its economy and ethic of reciprocity. It also led to growing disparities in wealth. These were the two preconditions required for the emergence of universal religion. In the process of empire formation, there is a moment when, under the sway of mode of exchange B, mode of exchange C dismantles mode of exchange A; it is at this moment, and in resistance to it, that universal religion appears, taking the form of mode of exchange D.



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Mode D against the worship of means
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Exemplary Prophets

The universal religions appeared independently from one another at roughly the same time in all of the regions that produced ancient civilizations. This indicates that universal religions are characteristic of a particular transitional period: the period in which city-states engage in struggle with one another and in which supranational states emerge; seen from another perspective, this is also the period in which the penetration of a money economy and the decline of the communal become pronounced. But to understand universal religions, we also need to examine their origins as critiques of the communal and state religions that preceded them, as well as the related fact that they all originated with a certain type of personality.

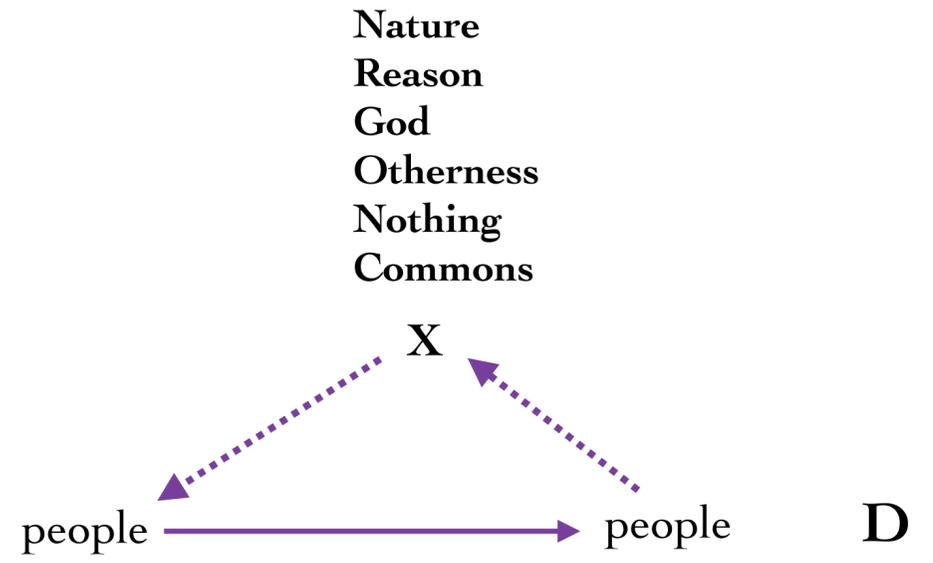
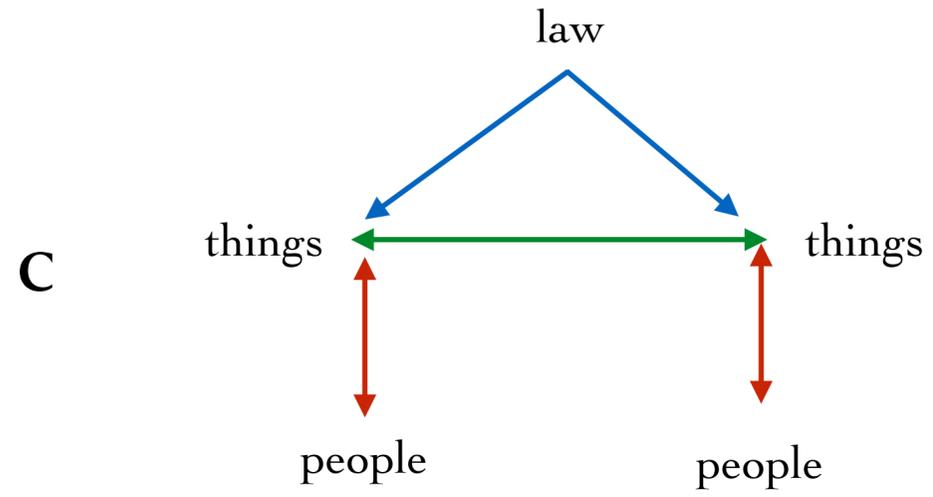
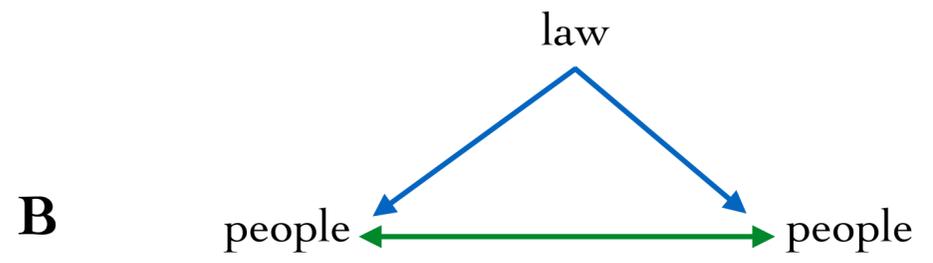
The personalities that originated universal religions were prophets. There are two things we need to keep in mind about prophets. First, we need to distinguish between prophets and ordinary soothsayers (fortunetellers). Soothsaying is carried out by priests and other sacerdotal officials. But a prophet does not necessarily foretell the future. In fact, the prophets of Israel stressed that they were not prophets in that sense. One of the shared attributes of universal religions is their rejection of the priestly class.

Second, and more important, we must not limit prophets only to Judaism, or to the Christianity and Islamism that derived from it. Weber distinguishes between ethical and exemplary prophets. An ethical prophet is an intermediary, charged by a god to proclaim its will and demanding compliance with the ethical obligations that are rooted in this charge—we see this in, for example, the prophets of the Old Testament, Jesus, and Mohammed. An exemplary prophet is an exemplary person, demonstrating to others the way to religious salvation through personal example—for example, the Buddha, Confucius, and Laozi.

A number of implications follow from this. First, those people who are ordinarily called philosophers should be placed in the category of religious prophets. The essence of a universal religion lies in the critique of traditional religions. That being the case, there is a clear relationship to philosophy, which first emerged as a critique of religion. For example, Frances M. Cornford sees the appearance of natural philosophy in Ionia as a shift from religion to philosophy.¹¹ Clearly, the natural philosophers of Ionia tried to explicate nature without resorting to religious explanations. This does not mean, however, that they rejected religion in general. While rejecting the personified gods of Olympus, they posited the concept of a new, monotheistic god: Nature. In that sense, their philosophy was connected to universal religion.

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Soothsayers and prophets
Philosophy against traditional religions
Philosophers and religious prophets



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Ethical Prophets

Generally speaking, the periphery of any empire includes nomadic peoples. The origins of these nomadic peoples can be traced back to the stage of the proto-city-state. Nomadic peoples were those who, when the proto-city-state was moving toward the formation of the state and the agrarian community, rejected this emerging order. Their societies tended to be patriarchal rather than clan based, but in certain aspects they maintained the principles of hunter-gatherer clan society—in, for example, the way relations to higher-order collectives were bilateral and allowed for relative autonomy, and in the rule these peoples shared that required visitors to be welcomed with hospitality. Nomadic peoples tend to be widely dispersed from one another, but if pressure from an empire intensified, they also sometimes formed alliances to counter it.

Judaism as a universal religion was born in Babylon. But the official version of the religion tried to portray this as the realization of earlier prophecies. This meant erasure of the historical specificity that the religion first arose in Babylon.

We can say the same thing about the myth of Moses: it was a projection of the covenant between God and people that first arose in Babylon back onto the ancient period. Historically, the Israel of the thirteenth century BCE, when Moses is supposed to have led the Israelis, was a tribal confederacy (the twelve tribes) and simply could not have sustained the kind of dictatorial leader that Moses is portrayed as. Accordingly, the Book of Exodus represents the projection of the experience of the exodus from Babylonian captivity onto the distant past.¹⁴ This means that the origins of belief in the God of Moses are located after the period of captivity.

Universal religion and the return of the repressed nomadism

But even if we accept that the appearance of the God of Moses took place in this later period, the real question is why it came to carry so much significance. Freud's *Moses and Monotheism* provides an important clue here. Just as *Totem and Taboo* is dismissed by today's anthropologists, this work is generally dismissed by historians and religious studies scholars because it has no apparent grounding in historical reality. Put simply, Freud thought that Moses was a member of the Egyptian royal family who attempted to revive the monotheism of Akhenaten. In this version, Moses promised freedom to the enslaved Jews if they would accept monotheism. According to Freud, this was the covenant between God and man.

Freud's answer is that Moses and his God were murdered and then subsequently reappeared as a compulsion in the form of a "return of the repressed." This view does not contradict historical reality. If we take the teachings of Moses to have been the ethics of a nomadic society—namely, independence and egalitarianism—then we can say that these were "murdered" under the despotic state (with its priestly and official establishments and its agrarian community) that developed in the land of Canaan: they were fully repressed. Of course, people did not intend to reject their own past; if anything, they wanted to defend their traditions. Yet such a situation is the mark of a total repression. Accordingly, the ethic of the nomadic age could return only in the form of the word of God as transmitted by the prophets in opposition to tradition and the priesthood, in the form of something contrary to human consciousness and will.

I have argued that in mode of exchange D, mode of exchange A is restored in a higher dimension, but in this case we should speak of a return of the repressed rather than a restoration. This is something quite different from a nostalgic restoration. In response to Freud's concept of the unconscious, Ernst Bloch proposes the concept of the "Not-Yet-Conscious" (*das Noch-Nicht-Bewußte*).¹⁵ This view regards Freud's return of the repressed as the nostalgic restoration of something that had existed in the past, but this is of course not the case. The return of the repressed arises precisely as what Bloch calls the "Not-Yet-Conscious." It is not and cannot be some utopian fantasy arbitrarily dreamed up by people.

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The Power of God

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As a tribal religion, Judaism was seemingly bound to be discarded with the fall of the kingdoms of Israel and Judah. Many of the kingdoms' people were absorbed by other states. The formation of Judaism as a universal religion, on the other hand, was the work of those who were held captive in Babylon. Their faith in Yahweh did not arise through compulsion from tribe or state: with the collapse of the state, that sort of power was no longer at work. Crucially, many of those taken into captivity came from the ranks of the ruling or intellectual classes, and in Babylon they primarily engaged in commerce. Through the experiences of losing a nation and living in a city where intercourse transcending tribal community boundaries was the normal state of affairs, a new god, Yahweh, took form among them. We could say that each individual discovered Yahweh on his or her own.

These are in fact two sides of a single phenomenon. In one aspect, God now became a universal, transcendent being that exceeded any single tribe or state. In another aspect, we see the emergence here of the relatively autonomous individual, one who is not simply a member of the community. The former meant that the "power of God" had taken on a form that transcended the power of community, state, or money. This likewise meant that mode of exchange D was invoked through the power of God as something transcending modes of exchange A, B, and C, and that it could not be invoked any other way. The latter aspect meant that mode of exchange D was premised on the existence of discrete individuals, independent from the community. These two moments cannot be isolated from one another: the existence of a god transcending the domain of any state or community corresponded to the existence of individuals who were dependent on neither state nor community.

Yet the emergence of universal religion was not simply a matter of individuals, independent of state or community, establishing a direct relation with God. Rather, through this a new kind of relation between individuals was created. Universal religions preach love and compassion. Seen

Religion and scale transitivity: God and individual
Universal religions against the State
The paradox of transcendence
Idolatry and reification

from the perspective of modes of exchange, these signify a pure gift (unreciprocated gift)—in other words, mode of exchange D, which supersedes modes A, B, and C. In more concrete terms, universal religions aim at the creation of mutual-aid communities in the form of associations among individuals. As a result, universal religion aims to dismantle the state or tribal community and to reorganize these into a new kind of community. From another perspective, this also means that universal religions are formed by prophets who renounce the priestly class and organize a new body of the faithful.

We can say the same thing about the transcendence and immanence of God. The god of a universal religion is transcendental and yet at the same time immanent (i.e., within the individual). If God exists externally in the form of a kind of personality, it would be nothing more than an idol. Yet if God is immanent within individual human beings, then God is entirely unnecessary: the very notion of God's existence implies that it is transcendental and therefore external. The transcendence and immanence of God forms an inseparable, paradoxical unity. If either of these two moments were to disappear, it would mean the end of universal religion.

We should neither consider Judaism a privileged example, nor should we pigeonhole Judaism as the first stage in the emergence of universal religion: these are problems that dog all universal religions. I will examine other religions, but for now there are a few points I wish to emphasize. To begin with, the prohibition on idolatry is often thought to be unique to Judaism. In fact, however, it is common to all universal religions, because a transcendent god must be unrepresentable. The existence of a god who transcends this world cannot possibly be represented in any given form, and for that reason such representation is forbidden.

In general, an idol is regarded as being the reification of some transcendent entity. Yet to regard God as a kind of personality is also a reification, as well as a kind of idolatry. For this reason, in Buddhism the transcendent being is regarded as being *mu*: nothingness. The transcendent being exists neither outside nor inside: it is nothing. In that sense, we can say that Buddhism too aims at prohibiting idolatry. In reality, though, Buddhism has subordinated itself to various states and communities and thereby lapsed into idolatry. The same is true, to a greater or lesser degree, of all universal religions.