Jonny Alexander Nay

Prof. Smith

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Middle Ages: Chapter Analysis

Graeber begins his chapter on the Middle Ages, which he dates to between 600 - 1450 AD, by establishing the era as one of transition. A transition brought on primarily by the fall of empire, governing states, and as a direct result the loss of standing armies and the disappearance of coinage as a currency. This transition produced social reorganization, transition to virtual credit systems, as well as the formation of new forms of hierarchy. Graeber accounts for his change historical, as the world moving out of the Axial Era. An Era marked by state, monarchist, and Empirical control over populations. The formation of new forms cultural and political organization occur throughout India, China, and broadening areas newly dominated by the growth of Islam and Buddhism. A growth in religious and small rural institutions is a crucial aspect to the transition to the Middle Ages.

The first civilization to experience the transition from the Axial Era that Graeber addresses at length is Medieval India. Which occurs between 400 and 600 AD. The transition in Indian in particular illustrates several of the common themes that set apart the Middle Ages. First being the decline of an empire. With the removal of kingdoms throughout the region, rural areas largely independent of governance, reverted to systems of lending and credit. Graeber cites ancient Hindu texts that show the growth of a lexicon around these new economic developments. Such as, “collateral, mortgages, promissory notes, and compound interest.”[[1]](#footnote-0) Organized around the rise of Buddhism and the monasteries which would develop systems of interest, to establish debtors to the institutions. In fact, India during the Middle ages is oriented partly around populations and monasteries. The function of which was a form of taxation, for services of the temples. A term Perpetual Endowments is referenced to describe a transaction between an individual and the monastery. The process can be described as such. A loan that is taken out from the monastery, as a form of donation, or payment for debt ( debt to god,) the monastery will then collect interest from this loan, and a varying percentage, which is to be paid in a myriad of different forms, relative to an, “accounting unit.”[[2]](#footnote-1) In this case, a dinaras.[[3]](#footnote-2) It noteworthy to notice the remain usage of currency, after to the fall of the established government. Much like barter, systems to formulate after the usage of money disappears, often reorients the nature of the currency to something that does not have exchangeability, but instead acts to aid in measuring value. One would give perhaps a perishable item to the monastery, which is worth say 8 dinaras, the currency is only involved in so much as it gives the items a calculable value. This system only exist much like barter, in a post empirical setting. Where people have already been largely inculcated with the notions of currency.

This system of paying away debts to god, by paying interests on loans with the monastery, would intertwine with caste systems in 200 BC - 400 BC.[[4]](#footnote-3) This would change the way that monastery would establish interest on loans. For example, an individual such as a Sudra would have a higher rate of interest for a loan with the monastery, than a Brahmin. This inequality formulates a society of class servitude, when often lower class would pay off their debts with the monasteries through labor. Often for royals or members of a higher caste, in the monasteries or otherwise. The practice of this seemingly servile society, was largely normalized as a social and cultural practice, and lead to a seemingly stable efficient society, regardless of it’s glaring inequalities. The willingness of the population to remain rigorously devoted to their social roles, illustrates the power of societies religious culture.

The second civilization to undergo this transformation from the Axial Age, took place in what is now understood geographically as China. Chinese society was oriented around small cities and rural villages, governed by a federalized system of bureaucracy. Which established state run institutions, and means of production, so that the governing body, which was closely tied to royal families, and patriarchy, gained the ability to tax the peasantry. Graeber references the social and economic reforms of Wang Mang, chinese royal to establish debt relief in various forms. The institutionalization of granaries run by the state, as well as many forms of relief.[[5]](#footnote-4) This stands out in stark contrast to an Indian system of debt. Where debt is a form of insurance that inequality will be maintain, and social roles will be performed. In the chinese system the state attempts to cancel debts, and limit usury.[[6]](#footnote-5) In the chinese case, a system of confucian ethics governed the manner in which the state would address merchants and industry. The acquisition of capital was seen as essentially immoral, and saw the best to maintain a working market was to keep to ethical practices. Transitions take place again the in the Chinese system with the rise of Buddhism, around 502 - 557 AD, spread of a cultural revolution.[[7]](#footnote-6) The revolution brought with it a new understanding of debt. Understood in the context of Buddhism, as a debt to god, for the sins of humanity. Graeber references an account of the Buddhist Monk, stating the method of paying one’s debt to god, or Karmic Debt.This notion of Karmic Debt, can be understood as the debt that one gains over the period of a lifetime, from birth to death. The debt can only be payed by relieving one’s money to the monastery. As a deep religious practice, monks would often engage in self harm to pay off this debt with the universe. As these practices gained in Chinese society, Buddhist Monasteries introduced usury, and investment into the local industries. Buddhism as a result would become tied various forms of extortion of debts to corruption involving investment.[[8]](#footnote-7) In a society based on Confucian Ethics, governmental action was often taken to undermine, or very blatantly undermine buddhist monasteries. For example, the text references an occasion in 713 AD. “4,600 monasteries were razed along with their shops and mills, 260,000 monks and nuns forcibly defrocked and returned to their families.”[[9]](#footnote-8) These actions by the need by governmental system to maintain a monopoly and control over wealth, which was now held in so many “inexhaustible treasuries.” As late in 960 AD, Chinese society had adopted practices of credit and IOU, a promise to pay pay forward in the future based on trust or mutual reciprocity between individuals in the society. The face of currency also began to change shape, as IOU’s in the form of promissory notes, began to act as money within chinese markets.[[10]](#footnote-9) Credit systems seemed to stand out in Chinese society as an alternative to the drive to accumulate capital in the buddhist tradition.

The most expansive civilization culturally and geographically during the middle ages was that of Islam. Comparisons can be drawn between the Islamic and Chinese civilization in terms of religious and cultural organization of economic systems. The ban of interest bearing loans for those committed to the faith. Cultural influences affected the behavior of institutions. But often religious convictions ran contrary to the economic interests of local kingdoms, and governing institutions. Where scholars and priests openly condemned the acts of the government.[[11]](#footnote-10) The power of the Islamic governments was bolstered by a massive control over the extraction of minerals, and by their control of slaves.[[12]](#footnote-11) As seen within the other two examples control of minerals, allowed for the production of coinage, making possible the funding of a standing army. The product of which, is the control of populations and the extraction of taxes. Graeber cites figures in the chapter describing the taxation revenue of Islamic States. Egypt having the largest, revenue to population ratio. Egypt with a population of around 7 million within the timeframe, extracted around 55 grams of silver per person. Compared to the a state within one of the highest populations, Rome, which extracted approximately 21 grams of silver per person.[[13]](#footnote-12) This is primarily due to the amount material circulating within the society, and an illustration of the control over resources that bolstered the wealth and power of dominating governing bodies in the Islamic states. Similar to the other two civilizations, credit system social reforms made coinage irrelevant, or taboo. In the case of the Islamic merchants, used collections of, “jurists,” to incentivize banks to commit to credit arrangements, such as checks.[[14]](#footnote-13) Unlike, say the Chinese system, Islamic states did not recognize checks as a reasonable form of currency. The transition to two forms of money circulating in the Islamic Markets, virtual and real. Money in the form of coinage, used to pay taxes to the state, and credit systems based on checks and often IOU, or reputation.[[15]](#footnote-14) This system proved to be very liberating for Islamic Markets, and allowed for proliferation of Islamic goods and materials throughout Asia. In terms of these two forms of money, coinage also played a larger role in the society. Much like in India, coinage, was also used a unit of measure, used to compare the value of two things in a transaction. The premise that I put forward earlier, that money changes symbolically when it’s usefulness in a society disappears, allows us to postulate that credit systems based on checks, and agreements of trust, greatly superseded the use of coinage in these societies. It seems reasonable that maintain that this is indicative of the strength and prominence of Islamic governance during the era, as being almost non-existent. As a result this freedom of exchange, created a cultural identity based around markets, trading, with a set of moral and ethical guidelines informed by Islamic religious doctrine that governed practices.

The final civilization that Graeber discusses were the civilizations of Europe: Rome, and various English kingdoms or municipalities. The two major powers governing economic relations throughout the era of the Middle Ages, were Rome, and the Catholic Church. Common bans on usury and unfair debt arrangements were shunned by christian religious tradition. The dynamic between lender and debtor was exemplified in christian teaching a disparity of power. Often maligning lenders and martyring the debtor. Within Catholic power structures, lending at rates of interest were maligned when committed domestically, however lending at rates of interest to those outside of the faith was permitted.[[16]](#footnote-15) Dynamics between Jews and Christians diverted along these lines of money lending. Jews were permitted to take out loans of interest, and often kingdoms incited this behavior.[[17]](#footnote-16) In a society where failure to pay one’s debt was often met with severe repercussions, this often generate crimes against Jews. When one accumulates debt, often the debt is being paid with a form of Roman currency, the same coinage used to pay taxes. The same coinage that allowed for a standing army. Often individuals were going into debt with banks, such Knights Templar.[[18]](#footnote-17)

By analyzing these four prominent civilizations in the transition between the Axial Era and the Middle Ages, we can come to a determination about the trends economically, socially, culturally. From the spread of Buddhism, with the creation of social class systems and **castes**. To rising arrangements around credit systems, using a variety of methods: IOU’s, checks, agreements based primarily of reciprocity. To the rise of powerful bureaucracy taken root in the shadow of fallen empires. A divergence from the power and hegemony of empires using coinage to fund standing armies, to instituted chattel slavery, to new forms of servitude to debt. The greatest development from this transition is this reinterpretation of the notion of markets within the society, and organization based around debts and credit, and how they interacted within the governing institutions of the state. Church, state, or market.

Bibliography

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2. ibid pg. 254 [↑](#footnote-ref-1)
3. ibid pg. 253 [↑](#footnote-ref-2)
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6. ibid. [↑](#footnote-ref-5)
7. ibid, 261. [↑](#footnote-ref-6)
8. ibid, 265. [↑](#footnote-ref-7)
9. ibid. [↑](#footnote-ref-8)
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13. ibid, 272. [↑](#footnote-ref-12)
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16. David Graeber, *Debt: the first 5000 years.* Melville House, (Brooklyn, NY.) 287. [↑](#footnote-ref-15)
17. ibid. [↑](#footnote-ref-16)
18. ibid, 291. [↑](#footnote-ref-17)