Currency = Territory: Force, Circulation, Precarity

It is easy to conceive of landscapes and buildings in terms of the money that is invested and stored within them, but it is far less intuitive to imagine that currency itself is based in territory. Currency is by definition a rootless token of exchange, whose value is symbolic rather than physical. It is immaterial and mobile, and as such it is apparently opposed to the base materiality and stability of land in every sense. But modern currency both originates, and is constantly reproduced, in capitalist property in land. The fact that modern territory performs as currency opens up new perspectives on the problems of contemporary urbanization and underscores the importance of inventing new spatial design practices.[1]

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If currency is "money as a means of circulation,"[2] then the following arguments will focus on three dimensions of the concept that appear in its root, current: force, circulation and perpetual present. First of all currency is a measure of force, it is a symbolic token that represents a quantity of human and non-human power required to transform matter into commodities. Second it is a thing that circulates, moving through different people's hands as a means of exchanging value, the more it circulates the greater is its force. In *Capital*, Karl Marx argues that the total price of commodities exchanged is equal to the quantity of money in circulation multiplied by its turnover.[3] The force of currency is measured by its value multiplied by its circulation. Finally, currency is current, in the sense of purely present. It is a thing without apparent history or future. It always seems to be equivalent in its exchange, but currencies are of course issued by states and banks and in this sense they have a history that needs to be unearthed in order to comprehend the relations of force they contain.

The word *territory* is used here in order to describe land as both a qualitative space formed through diverse natural and social forces and as a legal construct designated by two forms of property: the sovereign property of nation states and the private property of individuals.[4]

Currency is founded in the territorial machinations of what Marx calls "so-called primitive accumulation,"[5] but as Marx implies with his qualifier, this phenomenon only appears to be primitive, or prior to capitalism, it is in fact ongoing, a reality that

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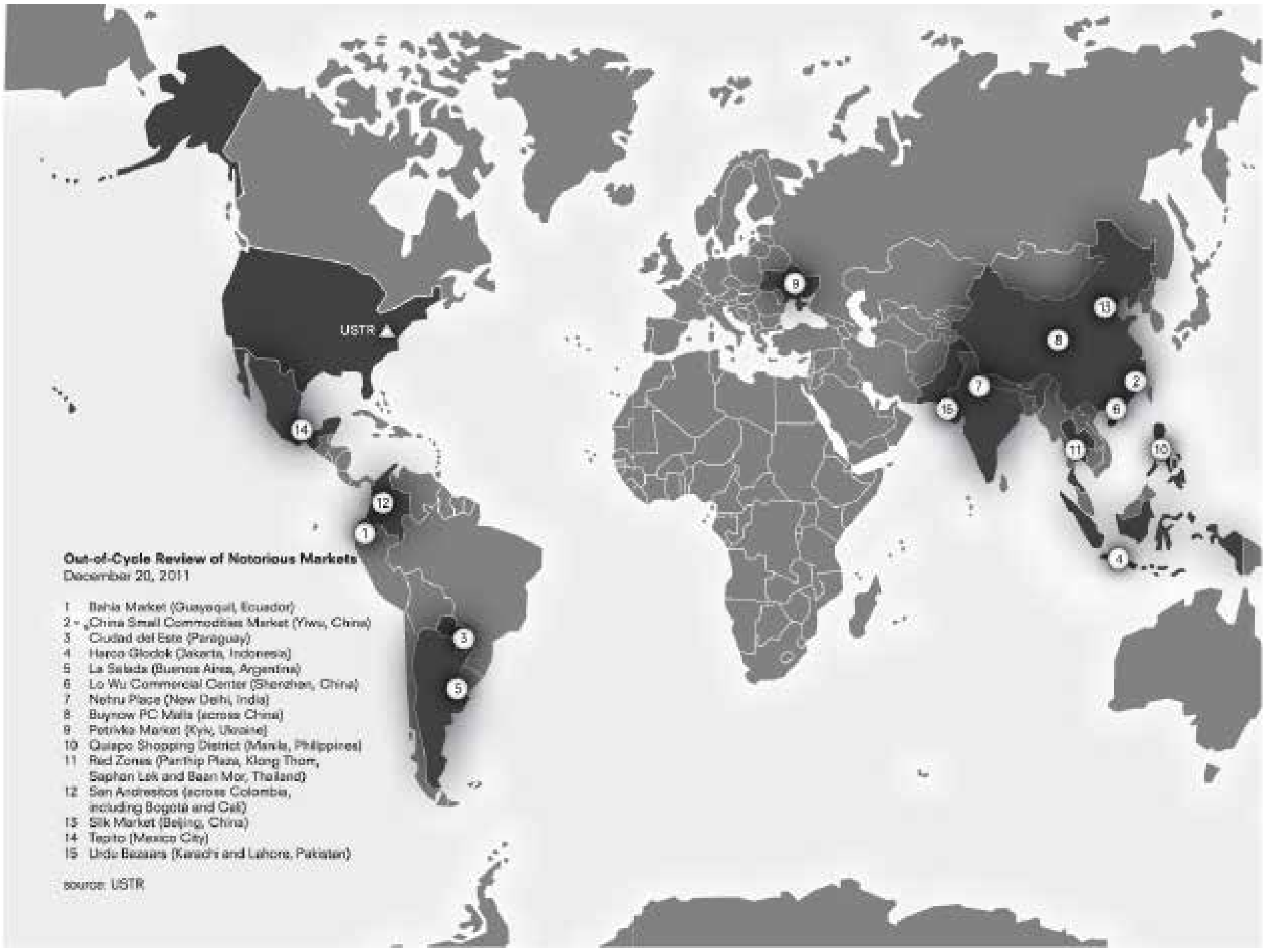


becomes all the more clear under contemporary processes of neoliberalization.[6] As such, territory embodies relations of force and coercion, is constantly circulating, and yet appears ideologically in the form of an ahistorical pure presence.

FORCE: MODERN CURRENCY IS FOUNDED IN THE PRIMITIVE ACCUMULATION OF TERRITORY

Currency is a general equivalent.[7] It has no use other than to facilitate exchange, but as such, it allows for the exchange of all other commodities. Currency may itself be materially valuable or worthless, but its value is secured in the past and the future, through and in relation to a set of material processes. As a sign, currency is understood as equivalent to a certain quantity of every distinct material - materials whose value is in turn produced through both human and non-human forces. As a result currency represents a certain quantity of force (what Marx would call labour-power), and because of its exchange value, it allows for both the circulation of force and its storage, or banking. As a register of force currency denotes a world making power and as such it is imbricated in the production of space at every planetary scale.

In "Fabrica Mundi: Producing the World by Drawing Borders", Sandro Mezzadra and Brett Neilson argue that there is a coincidence between the rise of modern cartography and the production of modern currencies.[8] Map-making and money are two forms of general equivalent, whose roots lie in processes of primitive accumulation, the original amassing of capital that preceded the free sale of labour in mature capitalism.[9] They begin by illustrating this with maps, claiming that the will to map the world that arises in the 16th Century is a process of "world making,"

Figure 1: Informal Exchange: "Out-of-Cycle Review of Notorious World Markets" drawing by Peter Mörtenböck and Helge Mooshammer.

citing the names of many of these maps, which use the words Fabrica Mundi in their titles. This "world making" is a complex process of territorial re-organization, from the emerging constitution of nation states, to the privatization of common lands in England, to colonialism and the slavery and indentured labour that went along with it. Each of these moments of coercion was produced through the re-organization of Territories through the first accurate maps of the Globe, which appeared both before and after Gerard Mercator's World Map of 1569.

In a text supporting her artwork, *World Map*, the Austrian artist Anna Artaker argues that the explosion of global mapping only produces a truly global economy, through the production of a global currency. She traces this event to the silver mines that the Spanish crown established in Potosi in what is present day Bolivia on the Western coast of South America. In these mines the Spanish used a system of forced indigenous labor to mine silver, process it using Mercury, and mint coins destined for circulation around the world. The production of the mines in Potosi in the mid 16th Century was 110 tons per year, 60 tons more than the entire production of Europe. So the extraction of silver and the production the Spanish Peso in Potosi completely transformed the money supply in the world market. After the Spanish conquest of the Manila in 1571, the trade from Potosi began to travel westward directly into the Asian Market System.[10] Together mapping and currency formed the lubricant of the first global system of capitalist accumulation.

So although money appears as a neutral medium of exchange, this short narrative illustrates that at their foundations modern currencies embody relations of force. In the cases illustrated, the processes of accumulation at the origin of the capitalist money form involve systematic violence and repression: fighting nationalist wars, divesting peasants of their means of sustenance, and enlisting indigenous peoples to extract resources. In each of these cases value is produced through the exploitation of labor, but the production of space guaranteed the value of currency, and this involved both the wholesale theft of territories, by nations, individuals and corporations, as well as the construction of new liberal understanding of private property, that produced both the class relations of capitalist society and specific sites for the extraction of surplus value. At their origins Capitalist currencies instantiate deeply asymmetric relations of force, but even today they are produced by specific agents, such as nation states or banks, who produce the power of surplus value by fiat.

CIRCULATION: FINANCIALIZATION = URBANIZATION

In *The Long Twentieth Century,* Giovanni Arrighi maps the four long centuries of capitalist accumulation as they migrate between geographic centers, from the Genovese city-state, to the Dutch United Provinces, to Great Britain, to the United States. Each long century begins with a period of investment in fixed assets such as ships and factories, and ends with a moment in which the declining rate of profit in industry forces capital to become liquid and mobile, a period dominated by finance capital. In order to designate this Arrighi breaks apart Marx's famous formula for capital - MCM' – money is transformed into commodities, which are in turn transformed into more money[11] – into two separate phases: an MC phase, in which there is a propensity toward the investment in fixed assets, and a CM' phase, in which capital evacuates the centers of production and is invested in other locations, in luxury goods such as art and in real estate development.[12]

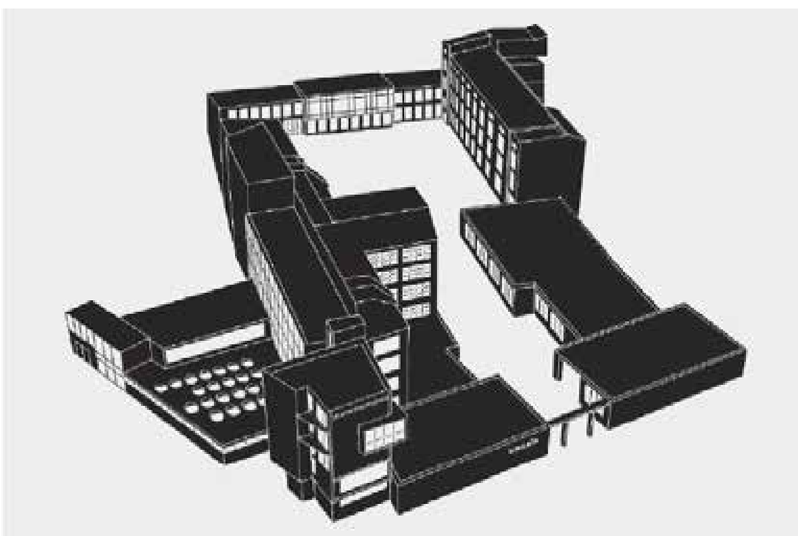
In these long centuries, the first phase of financialization is that of the Genovese in the mid 1500s, just as the silver begins to flow into Europe from Potosi, and the last phase begins in the 1970s, with the beginning of neoliberalism. What these moments have in common is a propensity to appropriate territory as a foundation for currency. It is clear from our earlier discussion that the first phase can be seen as a moment of intensified primitive accumulation, but according to Arrghi's schema financialization always represents a moment of intensified violence, a moment when the normal processes of exploitation under capitalism are exacerbated through the making precarious of workers and the appropriation of common resources. Nowhere is this clearer than in the current period of Neoliberalism, which is the name we use to designate the current phase of financialization. In 1990, the collective Midnight Notes published an issue of their journal entitled *The New Enclosures*, as a way of talking about the enclosures of common resources and land that capitalists and governments were introducing at that time.[13] David Harvey theorized these new enclosures as a period of "accumulation by dispossession."[14]

Urbanization is a process that has accelerated rapidly under capitalism, so much so that the French philosopher Henri Lefebvre has argued that contemporary capitalism should simply be described as a process of urbanization.[15] The concentration of both labor and command and control functions in large cities has been historically tied to capitalism and is predicated on the production of urban space itself. In *The Urbanization of Capital*, David Harvey argues that the built environment is produced as an important and necessary side effect of production. On the one hand capitalist processes of accumulation tend toward overproduction and require new locations for the investment of surpluses, and on the other, elements of the built environment are expensive so they require the pooling of profits and are often better produced through public private partnerships. Harvey argues that the built environment is produced through the capital market, through the collaboration of financial and state intermediaries.[16] Processes of urbanization are produced through the financialization of profits.

Harvey makes this point very clear from another point of view in "The Urban Roots of Capitalist Crises", where he notes the relationship between the great stock market crash of the late 1920s and the overproduction of high rise office space in New York City.[17] Harvey includes a graph which shows the construction of tall buildings in New York City, pointing out that each peak and fall in the property market corresponds to a significant recession of global capitalism – the great depression in the late 1920s, the oil crisis and the end of Fordism in the early 1970s, the recession of the late 1980s, and the subprime/financial crisis of 2007/2008. What is apparent in this graph is the irrationality of this development.[18] Where earlier Harvey situated finance as a crucial lever for the development of infrastructures of production and reproduction, it is clear from this text that urban development is far from merely well-planned or responsive to real needs, but is also subject to speculative processes based in exchange values rather than use values.

The urban historian Robert Fishman argues that in the United States housing is sold as community, but is traded as an investment. This has meant that the losers in the housing market throughout the 20th century were specifically those people who were attached to their neighborhoods, while the winners were those who understood the housing market only as an investment, as pure speculation.[19] In the first decade of the new millennium subprime mortgages were used as a way of keeping the housing bubble growing, by offering loans to poor people who normally would have been refused them, and thereby extending the demand for housing. In the past, low-income people would have been deemed too high risk for loans, but with easy access to credit, they were encouraged to buy homes at inflated prices. Housing costs continued to increase, until even this tactic could not prop up demand and prices finally declined. Those who entered the rising market late, ended up paying for houses worth much less than the value of their mortgages.[20] This process clearly functioned as a pyramid scheme, in which values are built through the initiation of new participants at the bottom of the market.

Fishman argues that this story is a simple repetition of previous bubbles, such as the Great Depression in the late 1920s. As a response to that crisis Roosevelt's "New Deal" included action to save the housing market by writing down mortgages through the Home Owners Loan Corporation. So in this earlier moment the US government initiated policies to solve the financial crisis at its origin – by providing housing. But Fishman points out this solution provoked the Federal Housing Administration (FHA) to provide funding for two very different kinds of housing: guaranteed homeownership loans for the lower middle and working classes, and public housing for poor people. This founding act of public housing made the fatal error of separating people into two social groups, worthy and unworthy, and providing a very different quality and form of housing for each. Fishman argues that the decline of public housing in the 1960s and 1970s was the inevitable result of the way it was implemented in the 1930s.[21] Since the early 1970s there has been a very clear movement of government intervention away from public and toward private housing. The destruction of Pruitt Igoe in 1973 was just one of the most spectacular events in this turn, but other policies followed such as the initiation of Section 8 vouchers in the early 1970s, the freezing of new public housing in the mid 1970s, and the introduction of HOPE VI in the early 1990s, to fund the demolition of public housing and the rebuilding of far fewer mixed income units.



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The recent subprime crisis was an historic moment that opened the possibility of a reversal of this process. Writing down the value of mortgages was a possibility for President Obama just it was during the New Deal, but he refused to push into law legislation that would have solved the subprime crisis at its origin, instead of at its command centre. What has been at stake in the bank bailouts and in the ongoing austerity measures that have followed around the world is the protection of the value of currency, instead of the production of equitable and accessible housing for all people. In the process what has been facilitated is the accelerated *circulation of territories* through a vast system of what Jonathan Nitzan and Shimshon Bichler, following the early 20th Century economist Thorstein Veblen, call absentee ownership, in which ownership itself is abstracted from the means of production.[22] It is specifically this process of making land move or circulate that enables its violent destruction and the suffering of the world's poorest people.

Figure 2: Recovered Spaces: ExRotaprint Space, Berlin. The space's slogan is: "There is No Profit to Be Made Here!"

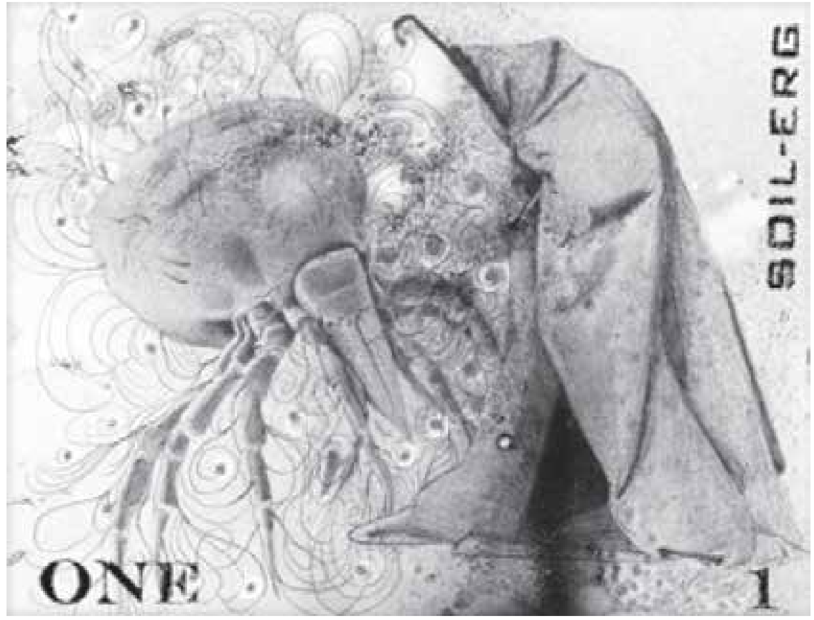

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Figure 3: Local Currencies: Soil-Erg Currency, by Claire Pentecost, printed on paper with soil and ink.

PRESENT-NESS: THE PRECARITY OF SPACE

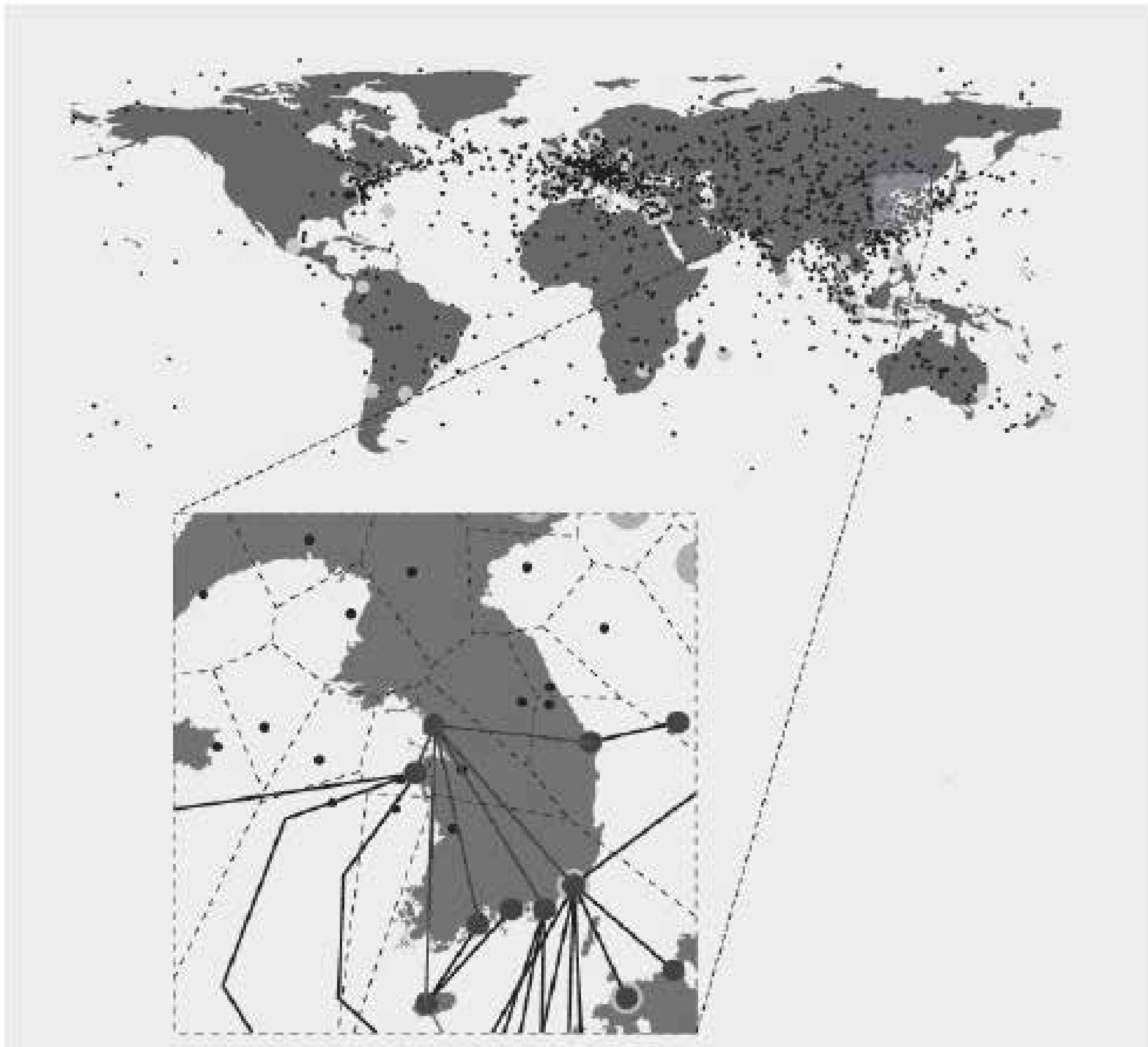
As Marx argued 150 years ago capitalism produces a state of "everlasting uncertainty and agitation."[23] Under today's neoliberal ideologies we inhabit a present without past or future. This has been impressed upon us through neoliberalism's grand narratives: Francis Fukyama's "end of history" and Margret Thatcher's "there is no alternative".[24] But in addition to these claims of permanence, we are faced with a more mundane present of precarity. Anarchists first used the word precarity in the 1950s, but it rose to wide popular usage in the social movements in Italy and France in the new millenium.[25] The word was applied to the existential condition that results from the insecure forms of employment that have risen to dominance since the 1970s: part-time, overtime, contract work, seasonal work, piece work and other temporary arrangements. This daily contingency means workers don't have the time or security to study world, or to imagine a different future. But if precarity is used primarily as a temporal condition of insecurity, what would it mean to imagine it as the production of spatial instability? Financialization, which is grounded in the becoming currency of territory, has destabilized land as well as the close ties that we have and feel with specific spaces, by forcing property to move. Neoliberalism has intensified the precarity of space under capitalism with three primary symptoms.

First of all, it has produced gaps in the fabric and underutilized spaces. These are often abandoned spaces marked by the tragedies of unemployment and homelessness that led to their disuse. This can be seen forcefully in the declining industrial zones of the United States, the UK and Eastern Europe. However this vacancy is also present in the overbuilt cities of contemporary China, where so many apartment and office buildings sit empty as pure investment properties. Both of these gaps are speculative spaces, locations that are left idle in order to force up the value of adjacent properties. These are the spatial corollary of gaps in time produced through the different forms of precarious work, those moments of unemployment that are key to disciplining the contemporary workforce. In his recent book, *Representing Capital*, Fredric Jameson argues that *Capital* is a narrative centrally focused on the way the capitalist mode of production produces unemployment.[26] Gaps in space produce a spatial reserve of value.

Secondly, scarcity is produced as the precise inverse of these gaps. There is not enough space for people to live in and families are forced to double up in apart-

ENDNOTES

1. The arguments here were first developed in collaboration with Chris Lee in the Currency issue of the journal Scapegoat: Architecture / Landscape / Political Economy (See the editorial for the issue: Adrian Blackwell and Chris Lee Issue-eds. *Scapegoat: Architecture/Landscape/Political Economy, Issue 04: Currency* (January 2013), iii-v). These ideas were subsequently expanded for the issue's launches. Thanks to Daan Roggeveen at the Hong Kong University Study Centre in Shanghai, Neil Brenner at Harvard University's Graduate School of Design, Gediminas Urbonas and Antoni Muntadas at MIT's Art Culture and Technology Program and Ayreen Anastas and Rene Gabri at 16 Beaver in New York City for generously hosting these events.
2. For a description of money as a means of circulation see Karl Marx, Karl Marx, *Capital: Volume 1* (New York: Vintage Books, 1977), 211.
3. Ibid. 216.
4. For a description of these two forms of property see Shiri Pasternak, "Property in three Registers" in *Scapegoat: Architecture/Landscape/Political Economy, Issue 00: Property* (December, 2010), 10, 15-17.



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ments, to build shacks at the edges of developing metropoles, or to live in factory dormitories. This overcrowding is the spatial corollary of the long overtime hours and frenzied work of contemporary labor time.

Finally all spaces have become spaces of production, because work has completely infiltrated the space of life and we work many more hours that the Fordist workday. In this way all space is produced for both production and consumption in many different ways: offices that support all night work in creative industries, home studios, offices or workshops for both immaterial and material labour, or factory dormitories for industrial or resource workers. Just as neoliberalization has left no time free from work, there is no space left either.[27]

These three dimensions of spatial precarity: gaps, scarcity, and the indistinction between work and life, describe the existential condition of territories that have been put in motion through liberal property relations. The precarity of space is the terrain of operations of contemporary design practices. In the face of this condition designers need to find ways to produce space that resists or questions the power relationships that currency's monopoly on space facilitates.

Figure 4: Information Currents: Relative concentration of distributed points where sub sea fibre-optic cable touches land near Songdo, Korea, Jordan Geiger.

5. See Marx, *Capital Volume 1*, 871-940.
6. The term neoliberalization refers to the material processes unleashed under conditions of neoliberal governmentality. See Jamie Peck and Adam Tickell , 2002. "Neoliberalizing space" *Antipode*, 34 (3) 2002, 380-404.
7. See Marx, *Capital Volume 1*, 162-163.
8. Sandro Mezzadra and Brett Neilson, "Fabrica Mundi: Producing the World by Drawing Borders" in *Scapegoat, Issue 04: Currency*, 4-19.
9. Ibid., 11. As a source of this observation the authors cite Franco Farinelli, *La Crisi della Ragione Cartographica* (Turin: Einaudi, 2009), 29.

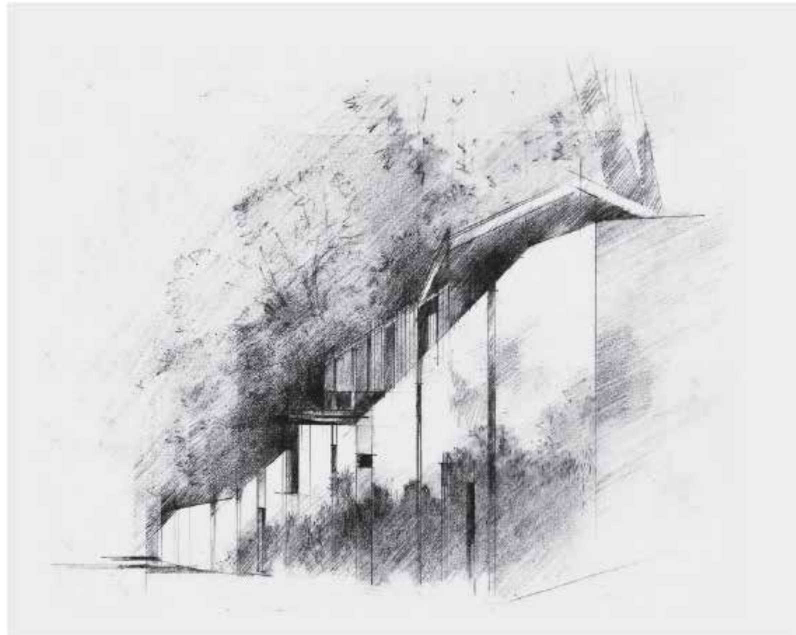

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Figure 5: Affective Circulation: Design for a Bhuddist Monestary in Thailand by Suriya Umpansiriratana.

CONTESTING THE FORCE, CIRCULATION AND PRECARIOUSNESS OF LAND

Today the national territorial guarantees of currency are no longer clear. We live in a global, not international economic system, yet value is still differentiated through the multiplication of ever more complex borders. As a result currency is in crisis, its complex topologies are unraveling.[28] Within this fragmented terrain, novel spaces of contestation are appearing, some of these seem to return us to earlier social relations, while others appear to be newly emergent within this unstable terrain. On the one hand we are seeing a new proliferation of informal markets that sit outside the legal frameworks of modern capitalist exchange. These offer alternatives to forms of capitalist exploitation that the law protects and structures, but informal markets also open up new circuits of violence and repression, from the extremes of trafficking in people and arms to banal forms of indentured labor beyond the view of the law.[29] On the other we see the emergence of entirely novel exchange currencies facilitated by new information from data and DNA. These will produce irrevocable changes at the scale of the human body and the earth and insofar as these information circuits are treated as currencies rather than commons, they are rapidly being enclosed under neoliberal logics.[30]

Bearing in mind these zones of contestation there are at least three strategies we can mobilize to refashion the relation between currencies and territories. First it is possible to make new currencies with different scalar relationships to specific places whether these are local or supranational.[31] A second approach might examine space in order to dislodge it from the capitalist processes of production, removing it from circulation, or at least slowing it down.[32] Third we can work on the relation itself by imagining affective circuits of exchange that are qualitative rather than quantitative.[33] Together these are pathways of experimentation through which to resist the dimensions of force, circulation, and present-ness that follow from the equation of territory and currency under contemporary global capitalism.

10. Anna Artaker, "World Map" in *Das Potosi-Prinzip: Wie können Wir das Lied des Hern im Fremden Land singen* Eds. Alice Creischer, Max Jorge Hinders and Andreas Siekmann (Köln: Verlag der Buchhandlung Walter Konig, 2010), 231-233.
11. See Marx, Capital Volume 1, 248-269.
12. Giovanni Arrighi, *The Long Twentieth Century: Money, Power and the Origins of Our Times* (London: Verso, 1994), 1-26. and chart on page 364.
13. Midnight Notes Collective, *Midnight Notes 10: The New Enclosures,* 1990.
14. See David Harvey, *The New Imperialism* (Oxford: Oxford University Press, 2003),145–152. And Christian Marrazi, *The Violence of Financial Capitalism* (New York: Semiotext(e), 2010).
15. See Henri Lefebvre, The Urban Revolution (Minneapolis: University of Minnesota Press, 2003) 1-22.
16. David Harvey, *The Urbanization of Capital* (Baltimore: Johns Hopkins University Press, 1985), 6-7.
17. For his evidence and the chart which follows Harvey cites the work of William N. Goetzmann and Frank Newman
18. David Harvey, "The Urban Roots of Capitalist Crises" in *Rebel Cities: From the Right to the City to the Urban Revolution* (New York: Verso, 2012), .
19. Robert Fishman, "Foreclosure and the American City, a conversation with Robert Fishman" in *Scapegoat Issue 04.,* 106.
20. Ibid., 107-112.
21. Ibid., 109-111.
22. Jonathan Nitzan and Shimshon Bichler, *Capital as Power: A study of order and creorder* (New York: Routledge, 2009), 227-239.
23. Friedrich Engels and Karl Marx "Manifesto of the Communist Party" in Karl Marx, *The Revolutions of 1848* (Pelican Marx Library, 1973), 70-71. See also Marx, *Capital Volume 1*, 619-620.
24. See Perry Anderson, "The Ends of History" in *A Zone of Engagement* (London: Verso Books, 1992). 279-376.
25. See Alessandra Renzi and Stephen Turpin, "Nothing Fails Like Prayer: Notes on the Cult of Saint Precario" *FUSE Magazine*, 30:1 Winter 2007
26. Fredric Jameson, *Representing Capital: A Reading of Volume One* (London: Verso Books, 2011) 139-151. See Also Marx, *Capital Volume 1*, 781-793.
27. For a description of the temporal indistinction between life and work see Paolo Virno, *A Grammar of the Multitude: For an Analysis of Contemporary Forms of Life* (New York: Semiotext(e), 2004), 102-104. "For the post-Fordist multitude every qualitative difference between labor time and non-labor time falls short." 102.
28. See Emily Gilbert, "Currency in Crisis" in *Scapegoat Issue 04.,* 29.
29. See "Informal Exchange" Ibid., 202-274.
30. See "Information Currents," Ibid., 276-334.
31. See "Local Currencies," Ibid., 48-78.
32. See "Recovered Spaces," Ibid., 158-200.
33. See "Affective Circulation," Ibid., 336-388.