
S. Eich, *The Currency of Politics. The Political Theory of Money from Aristotle to Keynes*, Princeton University Press, Princeton NJ, 2022.

Stefan Eich's book fits well into the growing critical debate on neo-liberal policies that have dominated the economic discussion in the latest decades. The author approaches the study of money from an original angle based on the political theory. Convincingly, he succeeds in proving that monetary policy choices are the result of a clear expression of determined political will and not the result of an immutable divine (or natural) law. He clearly highlights the fact that "Even where it announces itself as anti-politics, money is always already political" and more "de-politicization would be more accurately described as the de-democratization of monetary politics, which itself ought to be subjected to democratic scrutiny". In fact, the author leaves no room for misunderstanding when he clarifies how money "is a fundamental institution of democratic self-rule".

In fact, currency is nothing more than a commodity functional to economic, trade and financial exchanges. However, with the emergence of the fiscal state, currency becomes an essential means of payment for the survival and control of the territorial state.¹ The sovereign authority,

¹ B. Yun-Casalilla, P. K. O'Brien, F. Comín Comín (eds.), *The Rise of Fiscal States A Global History, 1500-1914*, Cambridge University Press, Cambridge, 2012.

therefore, always makes every effort to govern and manage the currency: controlling this means of payment implies controlling the economic life of its territories from a position of strength.² However, the author is right when he points out that money is not a neutral instrument of state fiscal policy. Currency is a much more complex and less controllable project than intended. In fact, "Money is best understood as a fragile project of political language and it is this predicament that makes it both uniquely promising and challenging for democratic politics".

Eich goes all the way back to Aristotle's time to justify his thesis. According to him, money was not just an aseptic tool functional to trade, but a crucial instrument of justice. This political role of money "poses fundamental questions of what characterizes a political community, what allows citizens to relate to one another as citizens, and what enables them to make collective decisions of value and justice".

In the writer's opinion, the second chapter of the book gives a proper insight into the political theory of money, where the foundations of modern capitalist money and all its annexed ideologies are set up. The monetary transformations that took place in Britain have influenced global monetary policy from the 19th century onwards. Locke's theory of currency stability is rooted into the monetary problems in the aftermath of the Glorious Revolution (1688) and the Nine Years' War (1688-97), which caused profound troubles to the everyday British economic life.³ However, he "did not simply invoke the market; instead, he advanced a novel political theory of monetary de-politicization". In essence, he points out to "remove money from discretionary political meddling". Such a policy serves a principle of justice and general trust. Monetary stability mirrors the trust and stability of a given society that sees (capitalist) economic relations as one of its founding and characteristic features.⁴

² Only Friedrich Von Hayek imagined a completely de-statalized monetary system. According to his theory, private banks would issue private money. This would only have been possible within a market that was fully functional in its capacity for internationally-mobile production factors and access to information. F. Von Hayek, *Denationalization of Money: An Analysis of the Theory and Practice of Concurrent Currencies*, The Institute of Economic Affairs, London 1977.

³ As the fear of inflation in modern Germany stems from the collapse of hyperinflation in the 1920s and partly in the 1940s.

⁴ As the author rightly points out, the problem of monetary stability continued to plague even a country like Great Britain due to the issuing of credit notes by Britain's many private banks. It would have to wait until the banking reform of 1844 for more order.

However, with the emergence of modern capitalism, the role of money becomes increasingly important to the extent that the state becomes an active player in the proper functioning of the capitalist order. Money in fact becomes both victim and actor in the emerging economic theories as served not only as a means of exchange but also as a capital. According to the classical school, money must maintain a kind of independence, i.e. it must remain stable in order to guarantee trade.⁵ Yet from Karl Marx onwards, the role of money also begins to be filled with social content. As Keynes pointed out, with the gradual entry of the masses into national politics (starting in the second half of the 19th century), monetary policy, as an instrument of economic power, is being increasingly “democratised” and used for purposes of social justice as well. A strong and stable currency actually benefits those who hold it, the so-called capital holders or, as Marx identified them, the owners of the means of production.

Stefan Eich’s research work highlights how monetary policy is the result of political decisions. The policy of de-democratising of money that has been in place since the neo-liberal “revolution” follows a clear political strategy aimed at eliminating the possibility of criticism of a certain monetary policy from the public debate. If a certain policy is immutable, why discuss it? Stefan Eich’s book helps us to understand that monetary policy must be the prerogative of a healthy and fruitful public and thus political debate.

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⁵ With the emergence of the modern capitalist state, “public” money was given to private entities and managers. We need to recall that the Bank of England, that was founded in 1694, has remained a private entity until its nationalisation in 1946.