Crops, Currency, and Crypto

In James C. Scott's new book *Against the Grain*, he deconstructs the erroneous narrative of early state formation and presents some fascinating new evidence for a theory that ties states with staple grains.

Peoples in places with a single staple grain, harvested at the same time once each year, were easy for states to subjugate and coerce. Partly for this reason, most humans resisted extensive grain farming, even several thousand years after it had been invented, and opted instead for what Scott calls a complex 'web' of nutrients. A mix of hunting, foraging, planting, herding, gathering, and fishing for diverse flora and fauna from diverse ecosystems. This made wetlands and lowlands, with myriad meandering waterways and illegible land/water boundaries, ideal for human flourishing and avoiding state domination.

People were semi-mobile, semi-sedentary. In other words, they had options. Options in food, multiple 'harvest' seasons, and location. The lack of a single seasonal harvest of a single homogeneous grain in a single place made tax collection – the backbone of all states – nigh impossible. The tax man needs to easily access and assess grains for taxing, and collection needs to be centralized in time and place. Early states enforced reliance on staple grains through forced farming and bans on foraging and hunting.

Currencies replaced grains as the unit of account and states again required uniform, single currencies with central points of production and exchange. Monopolization of coinage, regulations on acceptable payments and when and where exchanges can take place, serve to reduce exit options and make people more controllable. Even when many currencies exist, as today, states make it practically impossible to use any but their chosen fiat. Modern accounting and digitization make automatic withholding at points of exchange easier than one-time seasonal collections, but the principle is the same. Legibility of a uniform, single unit of account with regular places and times for exchange is a key to state survival and domination of subjects.

One of the criticisms of cryptocurrencies is that there are so many, and it's so easy for anyone to create one. Hobbyists can conjure up Dogecoin, scam artists can create Ponzi tokens, and ideological developers can 'fork' any of the currencies as many times as they like. To date, there are around 1,000 crypto tokens, most created in just the last few years, and it shows no sign of stopping. Even the Big Dog, Bitcoin, recently forked into two different currencies, and it may fork again.

If no one knows which coin is the One Coin to Rule Them All, the argument goes, how will crypto ever be usable as a medium of exchange or reliable as a store of value?

As much as it may be frustratingly complex and dynamic, this is a strength of cryptocurrency. A complex web of currency can handle the vicissitudes of the market and states just like non-state people's were far less susceptible to flood, fire, disease, and domination due to their wide-ranging diets.

Yes, it makes tax collecting and regulation much, much harder. That's a big plus. State subjugation isn't preferable to voluntary association and peaceful institutions. States want to force communities into dependence on a single, easily taxed grain, or a single, easily controlled currency. The ability to move swiftly between nodes on the complex web of wealth, exchange between multiple currencies with different attributes, globally 24/7, and even create new coins at any time, makes state control of the new financial system almost impossible.

The illegibly situated lowland peoples with dozens of diverse food sources and as many hunting and harvesting seasons resisted state domination (and still do in some places, though now in the highlands… but that's another story for another day). The illegible cryptocurrency market, without one central exchange, one central mining pool, barriers to entry for newcomers, or even one decentralized currency, is equally resistant. This is a good thing.