

Money and Social Power: A Study on Bitcoin

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Book Summary

Seeking to analyze money as a social relation in capitalist societies, this book approaches the intersections between money, state, and social power in the present conjuncture. To this end, it proceeds to an interdisciplinary and multidimensional study, taking as illustrative case the new monetary phenomena, such as cryptocurrencies and, in particular, Bitcoin.

To overcome the problems and limitations of the dominant paradigms in economics and social sciences about money, as well as the division of the intellectual labor among them, it asks: in the context of neoliberal and financialised capitalism, how (Marxist) theory of money helps us to understand monetary phenomena like Bitcoin, and on the way back, how does the analysis of an object like Bitcoin allow us to (re) think what is (theoretically) understood by money?

Amid this effort, the study initially proceeds to theoretical research, thereby rescuing the debates around the nature of money, as well as the state and ideology – from the correspondences between such dimensions – in the work of Karl Marx and subsequent Marxists, with a particular dedication to contemporary contributions. It then moves on to a comprehensive analysis of Bitcoin as a technical and monetary artifact, including its political economy, historical background, underlying ideas, and conditions of possibility.

It is thus seen that, based on the technocratic utopia of apolitical money, Bitcoin can be understood as a paradoxical “rebellious son” of neoliberalism – which serves to reveal its ideological content. However, it is unable to establish itself as an alternative to the current monetary system because it does not meet the elementary requirements of money, despised by the neoliberal ideology that sustains it.

Despite its declared search for substitution of world money, for monetary stability against the supposed “inflationary” state money and for “depoliticization”, decentralization, and deconcentration of monetary power, what is empirically observed

is precisely the opposite: low volume and range of circulation, great instability against state money and greater relative concentration of political and economic power among its users. In the end, the non-fulfillment of the neoliberal aspirations of Bitcoin shows that the attempt by its creators and enthusiasts to empty money of its social content, i.e., to “neutralize” it, in capitalism, is not feasible.

Keywords: Money. State. Neoliberalism. Bitcoin. Cryptocurrencies.

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Praise

“Edemilson is one of the most talented young Marxists today in Brazil. He has a clinical eye to perceive the signs that express contemporary contradictions”

Leda Paulani – Full professor – Department of Economics, University of São Paulo (USP)

“Edemilson Paraná has been showing a great capacity to research and explain, in an innovative way, the recent trends and transformations of capitalism. To do so, he moves through different areas of knowledge with theoretical precision, analytical rigor and attention to empirical complexity. So he fluently and intelligently debates a variety of issues, making insightful connections between them”

Luiz Gonzaga Belluzzo – Full professor – Institute of Economics, University of Campinas (Unicamp)

“This is a book of interest to those engaged in understanding the new phenomenon of cryptocurrencies, as well as those committed to reflecting on the broader transformations that money has undergone in the contemporary economy. Refined analyst and seasoned social critic, Edemilson Paraná offers us one of the most thought-provoking books ever published on the metamorphoses of money in a society that apparently naturalized the economic crisis”

Ruy Braga – Full professor – Department of Sociology – University of São Paulo (USP)

“Based on a solid reading of the controversies about money within the economic theory, especially Marxist, Paraná demonstrates the impossibility that bitcoin simultaneously fulfills all the functions that money fulfills today and unveils the ideological mechanisms that support the wave in its favour”

Luis Felipe Miguel – Full professor – Institute of Political Science – University of Brasilia (UnB)

“I strongly recommend readers to take a close look at this work, as it enriches knowledge of both the fields of monetary economics and the sociology of money”

Eleutério F. S. Prado – Full professor – Department of Economics – University of São Paulo (USP)