CONFERENCES

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Debt: 5000 Years and Counting as It Was

The conference *Debt: 5000 Years and Counting* took place at the University of Birmingham, United Kingdom (UK), on June 8–9, 2018.[1]

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Abstract

This article presents a review of a conference *Debt: 5000 Years and Counting* that took place at the University of Birmingham (Birmingham Research Institute for History and Cultures) on June 8–9, 2018. The conference was based on the recent influential book *Debt: The First Five Thousand Years* by David Graeber. The conference gathered representatives from all social sciences to discuss the understudied topic of history and ideology of debt. The review contains references to several papers discussed at the conference to give an idea of the approaches used in one way or another in many of the papers. The papers discussed in the review were devoted to the boost of micro-credit in Latvia after the 2008 global financial crisis, the ideology of trapped equity that led to this crisis, the attempt to resolve confusion between the view that debts are to be repaid and the view that profiting from lending is evil, credit in the Islamic Caliphate in the 7th to 10th centuries, the long durée of public debt since the Middle Ages to Early Modern times, and the royal debts in England in the middle of the 16th century. The conference was interesting not only because of the importance of the subject but also because of the originality of the format which helped make the event less hierarchical and less dominated by the academic elite. In addition, one of the aims of the conference was to combine academic and activist approaches. Among the participants there were a few activists. This experience is also described in the review.

Keywords: history of debt; credit; David Graeber; Falmer Method; ivory tower; political activism.

The questions discussed stemmed from reading David Graeber's book *Debt: The First Five Thousand Years* [Graeber 2014] but none was claimed central. The call for papers made some suggestions about what topics could be addressed in the papers. However, the call did not limit other possible topics. The overall idea was to invite social scientists who think about debt to collectively "analyse the relationship between debt, money and human society on the broadest historical and geographical scales" as well as "ask fundamental questions about what human beings and human society are or could be like."

The participants were not supposed to make oral presentations at the conference but had to submit papers of around 3000 words in advance so that the other participants were prepared for discussions. All papers (about 30) were divided first into five random groups and then into four themed groups. During the confer-

[1] For the official review of the conference see the Verso blog: URL: https://www.versobooks.com/blogs/4028-doing-conferences-differently.

ence, there were two 1.5-hour sessions of discussions in the random groups and one 1.5-hour session of discussions in themed groups. It was important for the organizers that the random groups were non-hierarchical (i.e., included specialists at all stages of their careers) and that the gender distribution was more or less even. The random groups tended to include papers from all possible fields of social sciences. Thus, in my random group there were a philosopher, a sociologist, an anthropologist, a political scientist, and a historian. Jonathan Neale, an anthropologist and Occupy activist, explained the principle of working in the groups drawing from the "Dislocating Masculinities Revisited" anthropology symposium organized by Andrea Cornwall, Frank Karioris and Nancy Lindisfarne at the University of Sussex, United Kingdom (UK), in 2014: Each participant of the group speaks in turn. No one can interrupt. One cannot ask questions out of order. This format[2] is supposed to allow for several things: The young, women, and foreigners speak more, people say unexpected things, and people listen. According to the organizers, this set-up is supposed to produce new ways of collective thinking.

In addition to discussions of the papers, the conference program included three conversations, each time between two of the keynote speakers (two opening conversations on both days and one concluding conversation). The first day ended with David Graeber's plenary lecture. The conversations and the plenary lecture were aimed at opening up, maintaining and summing up the discussions.

The first conversation was between two anthropologists, Jonathan Neale and Benedetta Rossi (Reader in African History and Anthropology, University of Birmingham). Jonathan spoke about neoliberal considerations of how the world economy should be run from the point of view of corporations and what place debt has in these considerations. Benedetta brought the conversation from the bigger picture to the debt that is not registered in macroeconomic records, namely, debt prevailing in the southern edge of the Sahara desert, in Tamaske village, Niger.

The second conversation was between Arietta Papaconstantinou (Associate Professor, the Department of Classics, University of Reading), who spoke of examples from Ancient Egypt, and Katrien De Graef (Department of Archaeology, Faculty of Arts and Philosophy, University of Ghent), a specialist in Old Babylonian history. They focused on questions of domination, lack of resistance to this domination, outsourcing of part of the power to aristocrats or merchants and debt as the outcome.

The plenary lecture by Graeber ("Debt, Service, and the Origins of Capitalism"[3]) that ended the first day challenged the dominant ways of organizing labor by dwelling on the commoditization of labor, the relation among labor, bridewealth and dowry in traditional societies, later slavery and wage labor and its historical and anthropological link to debt and service.

The third conversation was held by Kate Belgrave and Fanny Malinen, a journalist and an activist. All around the UK, Kate interviews victims of state-generated debt (public-sector cuts) and publishes their stories.[4] Fanny participates in Debt Resistance UK[5] and helps people under debt pressure, first of all by giving them information. The information concerns the creation of debt in the context of domination being unjust and needing reconsideration. She espouses the idea that if such debts are to be repaid at all, then they should not be repaid at any cost. She tells people that debt has by no means historically needed to be repaid at any costs, and if the power ideology tries to impose such understanding, humans have the right to resist. Kate and Fanny talked about their experiences during this activity. In *Debt*, David Graeber regards debt through the lens of morality.

[2] Also referred to as the Falmer Method.

[3] The video may be found at URL: https://www.youtube.com/watch?v=K0t50D4lQrs.

[4] Kate Belgrave's work may be followed at URL: http://www.katebelgrave.com/.

[5] Fanny Malinen's work may be followed at URL: https://debtresistance.uk/tag/fanny-malinen/.

Practice reflects the importance of such an approach. Kate and Fanny spoke about the imposed shame and learned helplessness they see in people with whom they work. They also spoke of how anger is devaluated in contemporary people since childhood and eradicated leaving people without internal resources to resist, although politics has been all about anger since ancient times. Finally, they articulated the intellectual task to reestablish the alternative to what is happening now in social life in terms of debt—which is one of the main ideas of Graeber's social and educational activity. This was the final point of the event aimed at moving the whole conference discussion away from pure academicism and bringing it closer to practical dimension, in other words, taking the academics out of the ivory tower. Intentionally, during this conversation all participants were sitting in a circle thus making everyone an equal participant in the conversation (the organizers of the conference paid attention to such symbolic details alluding to the discourse of non-discrimination).

The scope of the research subjects of the papers is best seen from the topics of the themed groups. In group *A,* the papers were devoted to the experience of debt at the citizen level in different modern contexts ranging from Ghana to Britain. Group *B* discussed the power of the concept of debt as viewed through the lens of morality. Group *C* included papers on debt ideology all over the world from ancient times to the Middle Ages. Finally, Group *D* contained papers on debt in the later medieval and early modern periods and papers about sovereign debt, historical and modern.

Which topics were reiterated in the discussions and conversations? The necessity and possibility of modern Jubilee (the cancellation of debts) and states' ability and responsibility to do it. The link between paying debts and the reality of money; mysticism in modern economics. The importance and functioning of the concept of shame in the construction of the modern attitude to paying debts and the normalization of debt. The influence of the feeling of obligation in people's life choices. The anthropological creation of value. An important block of questions was devoted to the formulation of the counter-ethics of debt, literary texts intervening in shaping attitudes toward debt, common language used to speak about debt, the metonymical relation between credit as lent or borrowed money and credit as reputation. Finally, historical examples of debt at different levels were provided, from individual to the state over a span of approximately 5000 years, from Old Babylon to the 2008 global financial crisis, the 2010 Greek government debt crisis and today.

As the organizers themselves pointed out, simply reading all the papers before the conference was already beneficial. The collection of papers turned out to be very enlightening in the context of the conference topic. Whereas the history of money, mostly associated with coinage, has been written and reconsidered many times, there is a lack of knowledge about debt, its history, functioning and influence on people's choices today, although credit is a historically more basic, overwhelming and ancient phenomenon in society than money. Learning and obtaining more information appeared to be one of the major outcomes of this conference. The suggested format of the event proved to be more efficient in achieving this goal than the traditional one.

I will allude to just a few papers to give an idea of the approaches used in one way or another in many papers. Andris Šuvajevs (Early Stage Researcher in the Sustainable Place Shaping (SUSPLACE) program, University of Latvia) wrote in his paper "The Silent Totalitarianism: Neo-Colonial Politics of Debt in East Europe"[6]: "It may very well be that economic practices and ideas which will characterize the future of developed nations are already tested in unlikely places of the world." According to him, before Greece there was Latvia that experienced tough austerity measures conditioned by International Monetary Fund (IMF) loans after the 2008 crisis. Andris focused on the social consequences of the crisis and the austerity measures in Latvia, namely, the boost of micro-credit. As much as half of the population is currently indebted and has trouble repaying their debts. Although there are no official figures, there is indirect evidence that the scale of the problem is vast. The government-controlled authority launched a website www.parads.lv. This website addresses in a popular man-

6 I am referring here (and in other cases below, if not stated otherwise) to the paper as it was prepared for the conference.

ner people who use credit and tries to appeal to people's rationality and warn them against it. In addition, the Consumer Rights Protection Centre operating under the Latvian Ministry of Economics commissioned a study on the problem by the Faculty of Economics and Management of the University of Latvia. Andris studied the result of this commission, a report called *Distance or Quick Loan Use in Latvia: The psychological Aspects of Consumer Behaviour* [Ansonska, Austers, Bērziņš, Priede 2018]. He revealed the ideology underlying the State's view of debt. First, the commissioning authority deals with consumer rights protection, which means that debt is regarded by the state primarily "as a consumption issue rather than a social or political category." Second, because micro-credits are provided by private entities these credits are seen as a manifestation of consumer choice although the research itself shows that they are primarily spent on food, rent and bills. Andris also challenged the data for economic growth in Latvia, registered in 2016 for the first time. He pointed out that the data is relevant only for the financial and insurance sectors (including micro-credit organizations) whereas no one has noticed the simultaneous 0.3% increase in poverty because the current financial ideology does not allow a correlation between the two parameters. In conclusion, Andris pointed out: "In this new banking totalitarianism, debt has become a wholly private matter, associated with shame and guilt which prevents any kind of solidarity politics to emerge for fear of being labelled 'communist.'" Thus, he highlighted the aspect important in Graeber's approach: the emotional traps that preclude people from reconsidering the ongoing reality and formulating what is good for them and what is not, instead of taking for granted the state view that "has effectively reformulated certain human rights, like the right to life, dignity, adequate standard of life, as consumer rights."

Alan Shipman (Lecturer in Economics, Faculty of Arts and Social Sciences, Open University, UK) provided a paper called "A Tale of Trapped Equity." He dwelled on the move by financiers to make people believe that if they do not mortgage their houses or their human capital (e.g., through student loans) they do not turn them into investments, and thus, waste opportunities and rob society of its resources. This reconceptualization has influenced the politics of the World Bank and the IMF. The 2008 mortgage crisis was the result of this successful move. When it happened, the previous morality turned upside down. Keeping assets unencumbered and debt-free appeared to be a sign of wisdom. Alan reminded us in his paper that by 2016 the growth of the financial sector was claimed to be "socially useless" because the growth pointed "to inefficiency in intermediation rather than comparative advantage in production." The whole story of equity exchanged for debt seems representative in terms of the influence of debt ideology on people's lives.

Some papers gave explanations for counterintuitive contentions. Graeber mentioned in his book the existence of two apparently contradictory moral views embedded in the current ideology of debt, namely, the view that debts are to be repaid and the view that profiting from lending is evil. Kate Pagett Walsh (Associate Professor of Ethics, Department of Philosophy and Religious Studies, Iowa State University) tried to resolve the confusion in her paper titled "Moral Confusion and the Ethics of Debt" by switching the focus from the tension between the two contentions to the tensions within each. The moral confusion, Kate argued, stems from the simplistic understanding of both. In the traditional view, debtors and lenders may be either bad or good, without degrees, which results from assessing people by just one value, the monetary value, while ignoring other human values of meaningful lives and contexts in which debt and profit from lending are used. She explored how moral philosophy could help overcome the reductionist view and the dominant narratives of debt and "shape and promote the alternatives." To achieve this, she analyzed the concept of freedom. That is exactly what people are lacking when it comes to debts, because the latter define people's choices in life away from what could be one's meaningful life. Instead of understanding freedom in financial and contractual terms, that themselves underlie the simplistic understanding of debt (in a society where choices made out of acute necessity, i.e., decisions to take credit for covering basic needs, are announced as "free" choices), she suggested perceiving freedom as non-domination (where "our choices are made independent of any arbitrary or uncontrolled exercises of power") and self-determination ("the freedom to care for and love one another, the freedom to pursue the projects that matter most to us, the freedom to flourish as whole persons"). Kate explained: "Freedom as non-domination can … help us to better recognize the ways in which many debtors are thus subject to exploitation. … Freedom as self-determination is … lost when debt causes us to forego education, medical care, and relationships." If we admit that all these concepts and contentions go in degrees, it will be easier for us to assess the politics and institutions, that influence to a more or less degree our freedom thus understood. So, she proposed an analytical tool that could help formulate new attitudes and consequently, new politics in relation to debt.

In the paper "The Longue Durée of Sovereign Debt," Jerome Roos (Fellow in International Political Economy, Department of International Development, London School of Economics) made an introduction to the development of public debt,[7] one of the few major economic phenomena that does not have roots in ancient times. Jerome was particularly interested in the formation of the concept of debt repayment. He mentioned that the earliest public debt in Italian city-states in the Later Middle Ages (starting from the 12th century) was repaid because the power elites were from the same class as the financial elites, the city-states' creditors. The bankers' interests were the same as those of the city-states, which minimized the risk of repudiating debts. He also touched on the topic of distribution of wealth within the medieval states that practiced public debt. Although the concept of public debt proved consistent at the state level, Jerome argued that "the politics of sovereign debt repayment, in short, were contentious from the very beginning, and have always been closely intertwined with demands for greater democracy," namely, with popular revolts, because "from its very foundation, after all, the public debt proved to be a powerful vehicle for the redistribution of wealth from the bottom of society to the top, or from the peasantry and the laboring classes—which paid most of the regressive consumption taxes—to the emerging creditor class, which pocketed the lion's share of the resultant interest payments."[8] He quoted Guglielmo Boccanegra, the leader of the Genoese popular uprising in 1259, who lamented that Genoa's debt was held by wealthy people whereas the tax burden was imposed on common people. It appears that very well-known revolts, such as the Ciompi (wool carders) revolt in Florence in 1378–1382, the revolts in Genoa in 1339 and 1408, in England in 1456–1458, in Cologne in 1371, 1396, 1481 and 1513, and the Revolt of the Comuneros in Castile in 1520–1521, were all inspired, at least in part, by the controversy of the distribution politics caused by government debts. Based on this material, Jerome criticized the current depoliticized view of debt which serves to naturalize constant debt repayment by contemporary states, despite "power asymmetries and deep-seated conflicts of interest within the debtor countries, in the absence of which it is impossible to understand the real reason why governments generally choose to repay rather than repudiate their debts."

A number of papers were devoted to the interplay between states and markets from a historical perspective. Lorenzo Bondioli (PhD student in History, Princeton University) prepared a paper titled "Debt, Credit, and the State: A View from the Islamic Middle Ages" dealing with the political economy of the Islamic Caliphate in the 7th to 10th centuries. According to the paper, if we drop the mistaken historiographical stereotype about the Islamic conquerors as fanatic nomads and return to the sources however scanty they might be, it would appear that immediately after the conquests the conquerors settled in the cities and based their economy on taxes. By the 10th century, the Caliphate represented an illustration of Graeber's "military–coinage–slavery complex" with a salaried army mostly of slaves paid by cash from taxation. However, such complexes, according to Graeber, functioned where there was constant plundering and conquest, which was not the case with the Islamic Caliphate. Lorenzo showed how instead of distributing booty, the state collected tribute (surplus product) in cash from the population. Cash instead of ready products was needed to be able to consume tribute in a central place—and not immediately in the places where the tribute was collected. The cash was spent on the Baghdad markets, thus returning to

7 The paper is based on material from the book [Roos 2018]. URL: https://press.princeton.edu/titles/13318.html).

8 Here, Jerome quoted [Stasavage 2011: 14; Pezzolo 2005: 160].

the producers. This confirms Graeber's assumption that states need markets. However, to this end states also need merchants who—and that is exactly what complicates things—need profit because they do not grow grain or participate in the state bureaucracy living off taxes. Here capital emerges. Capital has to constantly expand; otherwise, it will stop being capital. To give common people opportunities to cope with the pressure of merchants aiming at expanding their capital, a credit system was used. However, it was not a virtual credit system because any credit bill had to be backed by ready cash. And it was the state that punished for payment failure. Thus, Lorenzo debated with the current literature on medieval Islamic trade that emphasized the role of trust in the functioning of the commerce and credit system but not the state. He showed how the "enormous tributary mode of production[9] reproduced itself through a debt relationship binding millions of producers to the ruling class." Drawing from the history of the Islamic Caliphate, he pointed at the understudied area of the opposing relations between the state and the merchants, or the tributary logic and the capital one, in Lorenzo's wording. Tribute cycles, whereas capital spirals[10]—but capital has somehow to be returned to the tributary cycle. The history and different historical versions of this return have not been studied; however, they should be as it will help conceptualize the problems stemming from this contradiction.

My paper "Absolutist Monarchs Playing Market Games. A Case Study from the Mid-16th Century England" was devoted to the relations between the English monarchs and merchants while negotiating loans on the Antwerp market between market in the 1550–1560's. The Antwerp bourse in the then imperial territory of Flanders enjoyed privileges that allowed merchants to exercise their own rules of commercial interaction. The logic of this interaction opposed the logic of the monarchs. For example, the debtors had to pay interest on loans, although at that time interest on loans was universally forbidden. The merchant community of Antwerp acquired power to put pressure even on royal creditors due to the community's consolidation on the Antwerp bourse where news circulated quickly. If the monarchs wanted to secure access to credit, they had to take care of their financial reputation and credit history. The English example shows how the monarchs resisted being subject to the rules of the merchant community whereas the monarchs' financial agent in the Low Countries, merchant Thomas Gresham, who was responsible for about 15 years for negotiating loans for the English monarch on the Antwerp bourse, used all possible means to persuade the monarchs to pay on time to prevent losing reputation and consequently, access to credit. This case study illustrates the clash between the merchant logic and the logic of the monarchs and the mode of its overcoming in a specific historical context. While Gresham urged the monarchs to play by the rules of the international merchant community, he insisted on creating favorable commercial conditions for English merchants within England (in particular, allowing interest on loans) to be able to get the necessary credit within the country without turning to international merchants. Literature attributes to him the promotion of market ideology. However, at a closer look, his idea was for the English princes to get better control and exploit the resources of English merchants (to take money without paying on time, without paying interest or without paying at all), which was impossible with foreign merchants. On the one hand, we may detect here the disciplining of the 'state' by the international merchant community. On the other hand, we can register a telling difference between the politics and attitudes to external merchant community and the subjects of the 'state.' Moreover, what is striking in this example is the reluctance of a monarch to cooperate with merchants out of fear of being subject to them, however grand the profit it could provide. As a parallel instance, one might remember Graeber mentioned in his book the Confucian ideology in medieval China, following which "unlike later European princes, Chinese rulers systematically refused to team up with would-be Chinese capitalists. … They saw them as destructive parasites—though, unlike the usurers, ones whose fundamentally selfish and antisocial motivations could still be put to use in certain ways. In Confucian terms, merchants

9 A concept developed by Samir Amin, see [Haldon 1993].

10 This concept was developed by David Harvey.

were like soldiers. … Whatever one might think of the principles, the results are hard to deny. For most of its history, China maintained the highest standard of living in the world." [Graeber 2014: 260–261] A comparative research of this aspect of medieval and early modern social and political history seems to be lacking and suggests itself.

Although there is no room for presenting other papers, they were also interesting and important. Hopefully, the proceedings will soon be published.

The conference proved to be intellectually packed and thought provoking. Numerous connections and parallels arose out of the reading and discussions. I suppose the conference will have an impact not only in terms of academic results but also will beget more events of this format, which proved helpful in lessening the academic hierarchical and disciplinary constraints and encourage multi-level-discussion of relevant and important topics. Let us see how far it will reach beyond the academia.

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Received: September 15, 2018
Citation: Aleksandrova M. (2018) Debt: 5000 Years and Counting as It Was. The Conference *Debt: 5000 Years and Counting,* the University of Birmingham, England, on June 8–9, 2018. *Journal of Economic Sociology = Ekonomicheskaya sotsiologiya*, vol. 19, no 4, pp. 186–192. doi: 10.17323/1726-3247-2018-4-186-192 (in English).