

Student notes on David Graeber's *Debt: The First 5000 Years*  
By Chris Wright

A one-sentence summary of Graeber's tome: "This book is a history of debt, but it also uses that history as a way to ask fundamental questions about what human beings and human society are or could be like—what we actually do owe each other, what it even means to ask that question."

It really is striking to what extent human life revolves around debt, even in the narrow sense (as opposed to the general idea of owing something to someone or having obligations). "For most of human history—at least, the history of states and empires—most human beings have been told that they are debtors.... As the great classicist Moses Finley often liked to say, in the ancient world, all revolutionary movements had a single program: 'Cancel the debts and redistribute the land.' Our tendency to overlook this is all the more peculiar when you consider how much of our contemporary moral and religious language originally emerged directly from these very conflicts. Terms like 'reckoning' or 'redemption' are only the most obvious, since they're taken directly from the language of ancient finance. In a larger sense, the same can be said of 'guilt,' 'freedom,' 'forgiveness,' and even 'sin.' Arguments about who really owes what to whom have played a central role in shaping our basic vocabulary of right and wrong." Some of the most exalted spiritual ideas derive from lowly economic practices. (Cf. Nietzsche too.)

"Christ the Redeemer." As Graeber says later in the book, "The primary meaning of 'redemption' is to buy something back, or to recover something that had been given up in security for a loan; to acquire something by paying off a debt. It is rather striking to think that the very core of the Christian message, salvation itself, the sacrifice of God's own son to rescue humanity from eternal damnation, should be framed in the language of a financial transaction." He also remarks, in the context of discussing *The Genealogy of Morals*, that Nietzsche's "description of Christianity—of how a sense of debt [to God] is transformed into an abiding sense of guilt, and guilt to self-loathing, and self-loathing to self-torture—all of this does ring very true." I agree. The sense of debt is absolute, because God has redeemed us from our original debt (Adam's sin, I guess?) by sacrificing his own son—which surely, in a way, puts us in even *more* debt to him!<sup>1</sup> We're totally unworthy of God's love, but love us he does, thereby permitting us to be saved and go to heaven.

Maybe a better way to interpret it than in terms of debt is to say that Christ "redeems" us from the "other side," from sin and the devil—he buys us back for God by sacrificing himself. It isn't that we want to escape our debt to God; we're always in infinite, everlasting debt to him. But Christ's love for us convinces God to accept us into the kingdom of heaven. Or something like that. Christianity is incoherent, so it's hard to make sense of it.

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<sup>1</sup> How is God's sacrifice of his son supposed to redeem us? It makes no sense. If anything, it makes us even more puny and worthless compared to him. Or maybe the point is that God's love for us proves we must have *some* kind of value, at least in his eyes.

Anyway, the first myth Graeber attacks is the conventional Smithian idea that societies evolved from barter to money (cash) to credit. The reverse is closer to the truth. For most of history, economic transactions have been organized by keeping an “account,” i.e. on credit, which might be measured according to some unit of currency even though that currency (as cash) doesn’t actually circulate or is very rare. In other words, money served as a unit of account rather than a means of payment or store of value.<sup>2</sup> Barter did happen, but usually between societies (tribes or whatever) that were enemies or strangers and came into brief contact. *Within* a society, no, it was rare. In comparatively recent times, cash has become a widespread means of payment; and barter has typically happened in societies where cash has been used but for some reason is not widely available at the moment. Russia in the 1990s and Argentina around 2002 are examples—both resulting from the failures of capitalism! Ironic.

“No example of a barter economy, pure and simple, has ever been described, let alone the emergence from it of money; all available ethnography suggests that there has never been such a thing.”

Another myth coming from Adam Smith is that states and markets are radically opposed. This, too, is false. From ancient times, states have used tax policies to create markets. (By forcing people to pay taxes in cash, governments effectively force them to participate in the market (in order to get cash).) Conversely, “stateless societies tend also to be without markets.” The reason governments imposed markets and coinage on their subjects—coinage was invented between 600 and 500 B.C. in China, India, and Greece—is mainly that that made it much easier to provision large standing armies, which arose around the same time.

Returning to Nietzsche for a moment...I have to agree with Graeber (and Georg Lukács and other Marxists) that in many respects his thought is little but a radicalization of the bourgeois tradition. As in much of *The Genealogy of Morals*, and more generally in his viewing life as an arena of competition, a struggle between the weak and the strong and between all individuals, a series of expressions of the will to power. His is an atomistic vision, a world stripped almost bare of human solidarity—although it’s true he interprets society as a struggle between *races* too. A singularly bourgeois notion, perfectly compatible with capitalist structures. He’s kind of like La Rochefoucauld, determined to strip human relations of all “sentimentality,” as capitalism itself does. His psychologism and idealist tendencies are also bourgeois, “decadent.” It’s ironic but telling that postmodern thinkers consider him more radical than Marx. (Postmodernism as a movement is but a decadent expression of a certain stage of bourgeois society, of corporate capitalism in its age of greatest atomism.)

To say, as Nietzsche does, that the feeling of personal obligation “has its origin in the oldest and most primitive personal relationship there is, in the relationship between seller and buyer, creditor and debtor,” is silly. “Here for the first time,” he continues, “one person moved up against

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<sup>2</sup> Most gift economies apparently haven’t used money even in this sense. They have simply established a system of ranked categories of things that were roughly equivalent to one another, such as pigs and shoes. One could give one in return for the other (though there was usually a time-differential, so it wasn’t true barter).

another person, here an individual *measured himself* against another individual.... Selling and buying, together with their psychological attributes, are even older than the beginnings of any form of social organizations and groupings...” It’s the old bourgeois fantasy that the state of nature is atomistic, that commercial or contractual relationships precede any others.

It’s true that commercial practices and institutions have done much to shape human behavior and thought, but there is a deeper substratum in the mind, in human nature, that has nothing to do with them. Love, compassion, empathy, creativity, curiosity, self-expression. (And other less noble things too.) Nietzsche was surely aware of this, but in his philosophical experimentation he tended to forget it or ignore it.

Anyway, Graeber makes the excellent observation that one of the moral foundations of ordinary life in any society is *communism*, which he defines by the slogan “From each according to his abilities, to each according to his needs.” Basically, sharing, helping, and cooperation. “All of us act like communists a good deal of the time.” He’s trying to get away from the common interpretation of morality and social life in terms of strict reciprocity, “balanced exchange,” “fairness,” “symmetry,” the repayment of debts, etc. According to this theory, which was enthusiastically defended by Levi-Strauss among others, “all human interaction can best be understood as a kind of exchange.” (With language we exchange words, with kinship we exchange women, and so forth.) And if that’s true, “then debt really is at the root of all morality, because debt is what happens when some balance has not yet been restored.” But of course reciprocity (in the strictest sense) is inadequate as a universal foundation for ethics. For example, where is the “reciprocity” in the mother’s relationship with her child? No child can ever repay his or her mother. And the law “an eye for an eye,” while embodying reciprocity, doesn’t seem particularly moral. So Graeber proposes instead, as one of the foundations for social life and morality, a kind of basic communism.

“Baseline communism [as he calls it] might be considered the raw material of sociality, a recognition of our ultimate interdependence that is the ultimate substance of social peace.” A sensible view, which would be useful to invoke in polemics against apologists for capitalism.

Partially against Graeber, it seems to me that, in an extended sense, the logic of reciprocity is (and/or should be) at the root of most human interactions. It has to do with respecting others, treating them as you’d like them to treat you, applying to yourself the standards you apply to them, treating them as more-or-less equals. Nevertheless, it’s true that *literal* reciprocity is often not applicable, is not even the ideal.

The origins of prostitution and patriarchy are intimately tied to debt. As Gerda Lerner says, “[One] source for commercial prostitution was the pauperization of farmers and their increasing dependence on loans in order to survive periods of famine, which led to debt slavery. Children of both sexes were given up for debt pledges or sold for ‘adoption.’ Out of such practices, the prostitution of female family members for the benefit of the head of the family could readily develop. Women might end up as prostitutes because their parents had to sell them into slavery or because their impoverished husbands might so use them.... By the middle of the second millennium B.C., prostitution was well established as a likely occupation for the daughters of the poor. As the

sexual regulation of women of the propertied class became more firmly entrenched, the virginity of respectable daughters became a financial asset for the family.” Various means were used to differentiate respectable from non-respectable women, including the practice of veiling respectable women, which first appeared in Assyria between 1400 and 1100 B.C.

“States seem to have played a complex dual role, simultaneously fostering commoditization and intervening to ameliorate its effects: enforcing the laws of debt and rights of fathers, and offering periodic amnesties. But the dynamic also led, over the course of millennia, to a systematic demotion of sexuality itself from a divine gift and embodiment of civilized refinement [as it had been in Sumer] to one of its more familiar associations: with degradation, corruption, and guilt.” Because of its association with debt, poverty, the market, sexual slavery, prostitution.

“‘Patriarchy’ originated, first and foremost, in a rejection of the great urban civilizations in the name of a kind of purity, a reassertion of paternal control against great cities like Uruk, Lagash, and Babylon, seen as places of bureaucrats, traders, and whores. The pastoral fringes, the deserts and steppes away from the river valleys, were the places to which displaced, indebted farmers fled. [The Old Testament was a product of some of these pastoral rebels.] The extraordinary emphasis we find there [in the Old Testament] on the absolute authority of fathers, and the jealous protection of their fickle womenfolk, were made possible by, but at the same time a protest against, this very commoditization of people in the cities that they fled.” Most of the world’s Holy Books “echo this voice of rebellion, combining contempt for the corrupt urban life, suspicion of the merchant, and often, intense misogyny.” Graeber quotes a denunciation of Babylon, “the great whore,” in the Book of Revelations, and then comments, “Such is the voice of patriarchal hatred of the city, and of the angry millennial voices of the fathers of the ancient poor.” Fascinating. It’s true that Judaism and Christianity originally represented these interests, although Christianity also represented the poor and oppressed of all kinds. It was a reaction against urban decadence, inequality, and injustice, though it was so broad that it contained conflicting impulses, some authoritarian and some egalitarian. Needless to say, in the long run the authoritarian tended to predominate.

These patriarchal trends ultimately triumphed in all major civilizations, from China and India to ancient Greece. “Between the push of commoditization, which fell disproportionately on daughters, and the pull of those trying to reassert patriarchal rights to ‘protect’ women from any suggestion that they might be commoditized, women’s formal and practical freedoms appear to have been gradually but increasingly restricted and effaced. As a result, notions of honor changed too, becoming a kind of protest against the implications of the market, even as at the same time (like the world religions) they came to echo that market logic in endless subtle ways.”

Let’s skip ahead. To Rome, the decline of the empire. This too was largely a product of the accumulation of debt on the part of huge masses of people. “The works of the early Christian fathers resound with endless descriptions of the misery and desperation of those caught in rich lenders’ webs. In the end, through this means, that small window of freedom that had been created by the plebs [over centuries of struggle] was completely undone, and the free peasantry largely eliminated. By the end of the empire, most people in the countryside who weren’t outright slaves had become, effectively, debt peons to some rich landlord—a situation in the end legally

formalized by imperial decrees binding peasants to the land. Without a free peasantry to form the basis for the army, the state was forced to rely more and more on arming and employing Germanic barbarians from across the imperial frontiers—with results I need hardly relate.”

Remind you of anything? Like....the present? The working and middle classes staggering under the burden of debt and unfreedom.... The rights won by modern-day “plebs” through decades of struggle are being completely undone, and the civilization is collapsing under the weight of debt and income inequality.

I like Graeber’s quasi-Weberian reflections on the relations between markets and the systems of thought and ways of life that arose in the Axial Age, when coinage, impersonal markets, philosophical systems, and world religions first appeared. It was also an unprecedented time of war, from Greece to China, and of slavery on an enormous scale.<sup>3</sup> “The growth of markets played a role [in the spread of intellectual movements], not only helping to free people from the proverbial shackles of status or community, but encouraging a certain habit of rational calculation, of measuring inputs and outputs, means and ends, all of which must inevitably have found some echoes in the new spirit of rational inquiry that begins to appear in all the same times and places. Even the word ‘rational’ is telling: it derives, of course, from ‘ratio’—how many of X go into Y—a sort of mathematical calculation previously used mainly by architects and engineers, but which, with the rise of markets, everyone who didn’t want to get cheated at the marketplace had to learn how to do.... [He refers to] impersonal markets, born of war, in which it was possible to treat even neighbors as if they were strangers.” In archaic “human economies” (as opposed to commercial ones), motives are assumed to be complex, not aiming solely at private profit but relating to all sorts of social needs and desires. Not so with the impersonal market. The notion of “profit” became very common in the Axial Age, as self-interest came to be seen as fundamental. So in China you had Legalism, a kind of Machiavellianism, and in India the materialist school of Charvaka, as well as the inevitable reactions against them in the forms of Mohism, Confucianism, Buddhism, etc. But these were really reactions against all the materialist, selfish ways of life that had emerged with the rise of coinage and markets.

“Axial Age spirituality is built on a bedrock of materialism. This is its secret; one might almost say, the thing that has become invisible to us.” This is evident even in metaphysics, with the materialist systems of Thales and many others. Drawing on scholarship, Graeber even suggests connections between coinage itself and philosophical materialism and dualism.

Here’s his summary of all these ideas:

*1) Markets appear to have first emerged, in the Near East at least, as a side effect of government administrative systems. Over time, however, the logic of the market became entangled in military affairs, where it became almost indistinguishable from the mercenary logic of Axial Age warfare, and then, finally, that logic came to conquer government itself; to define its very purpose.*

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<sup>3</sup> “Money was needed to pay armies to capture slaves to mine gold to produce money.”

- 2)As a result: everywhere we see the military-coinage-slavery complex emerge, we also see the birth of materialist philosophies. They are materialist, in fact, in both senses of the term: in that they envision a world made up of material forces, rather than divine powers, and in that they imagine the ultimate end of human existence to be the accumulation of material wealth, with ideals like morality and justice being reframed as tools designed to satisfy the masses.
- 3)Everywhere, too, we find philosophers who react to this by exploring ideas of humanity and the soul, attempting to find a new foundation for ethics and morality.
- 4)Everywhere some of these philosophers made common cause with social movements that inevitably formed in the face of these new and extraordinarily violent and cynical elites. The result was something new to human history: popular movements that were also intellectual movements, due to the assumption that those opposing existing power arrangements did so in the name of some kind of theory about the nature of reality....
- 6)[The impulse emerged] to imagine another world where debt—and with it, all other worldly connections—can be entirely annihilated, where social attachments are seen as forms of bondage; just as the body is a prison....
- 8)The ultimate effect was a kind of ideal division of spheres of human activity that endures to this day: on the one hand the market, on the other, religion. To put the matter crudely: if one relegates a certain social space simply to the selfish acquisition of material things, it is almost inevitable that soon someone else will come to set aside another domain in which to preach that, from the perspective of ultimate values, material things are unimportant; that selfishness—or even the self—are illusory, and that to give is better than to receive. If nothing else, it is surely significant that all the Axial Age religions emphasized the importance of charity, a concept that had barely existed before. Pure greed and pure generosity are complementary concepts; neither could really be imagined without the other; both could only arise in institutional contexts that insisted on such pure and single-minded behavior; and both seem to have appeared together wherever impersonal, physical, cash money also appeared on the scene.

The movements of protest, whether religious or not, that emerged in this era eventually helped achieve great things. “Wars became less brutal and less frequent. Slavery faded as an institution, to the point at which, by the Middle Ages, it had become insignificant or even nonexistent across most of Eurasia.”

The Axial Age. The axis of history.

Given our tendency to glorify the ancient world, it’s ironic that things got a lot better for most people in the Middle Ages. In Europe and India empires collapsed—and even in China, the Han empire fell apart (though it was succeeded by others)—but slavery largely disappeared and religious institutions began to regulate economic activity.<sup>4</sup> Coinage tended to disappear in Europe and India with the weakening of central governments; the use of money solely as a unit of account returned, and economic activity was organized mainly on credit.

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<sup>4</sup> Even in the Arab world, where slavery existed throughout the Middle Ages, its horrors rarely compared to those of the Axial Age and later New World slavery.

“If the Axial Age was the age of materialism, the Middle Ages were above all else the age of transcendence.... Once-subversive popular religious movements were catapulted into the status of dominant institutions.”

A new age began in the mid-1400s in Europe, “with a turn away from virtual currencies and credit economies and back to gold and silver. The subsequent flow of bullion from the Americas sped the process immensely, sparking a ‘price revolution’ [i.e., inflation] in Western Europe that turned traditional society upside-down. What’s more, the return to bullion was accompanied by the return of a whole host of other conditions that, during the Middle Ages, had been largely suppressed or kept at bay: vast empires and professional armies, massive predatory warfare, untrammelled usury and debt peonage, but also materialist philosophies, a new burst of scientific and philosophical creativity—even the return of chattel slavery.” Between 1500 and 1650, prices in England increased 500 percent while wages rose much more slowly. In five generations they had fallen to about 40 percent of what they had once been. And the same thing happened everywhere in Europe. The consequent empowerment of bankers, large-scale merchants, and governments led to major changes in the fabric of European society.

To sum up: while Graeber’s analytic framework isn’t as powerful as the Marxian one, which uses such concepts as production relations, economic exploitation, and class struggle—concepts on which mountains of brilliant historiography have been written—his book is definitely worth reading. We need more grand historical syntheses like this.