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Debt to Society Review Symposium

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Debt to Society: Accounting for Life Under Capitalism, by Miranda Joseph, Minneapolis, University of Minnesota Press, 2014, 224 pp., US$25.00 (paperback), ISBN 978-0-8166-8744-2, $75.00 (cloth) ISBN 978-0-8166-8741-1

Debt is a social and ideological construct, not a simple economic fact.
Noam Chomsky

Miranda Joseph's monograph, *Debt to Society: Accounting for Life under Capitalism*, contributes to an emerging body of scholarship that locates debt in its wider social context. Joseph's work, rooted in cultural studies, explores debt and its meanings in the contexts of criminal justice, time, gender, and interdisciplinarity in the academy. Two major and interrelated concepts organize the book: first, the dialectics of abstraction and particularization through which capitalism becomes legible, and second, the moral/ethical question of accountability. Regarding the first, drawing on Marx, Joseph understands particularities as the results of abstract social processes and relations, a dialectical processes in which the contradictions created by class antagonisms and tensions produce differences in the meanings of abstractions. Thus she navigates a course between the Scylla and Charybdis of privileging particular formations of social difference, on the one hand, and trivializing them in favor of abstract categories, on the other. Understanding abstraction in terms of generative, historical, real social forces allows Joseph to develop an appreciation of the dialectical and complementary relation between the particular and concrete.

Regarding the second concept, accountability, the key questions are: Who has to pay their debts, and who does not? From whom is accountability required? Generally not the class at the top, the famous 1%. Accounting and statistics are disciplinary practices used to separate neoliberal subjects into those who are worthy of social inclusion and those who are excluded. How do the abstractions produced by accounting and statistics create dynamic social processes that enable accountability for the many and carte blanche for the few? As Joseph (2013) argues in an earlier piece, 'financial accounting in its managerial mode (cost accounting) and the "metrics" (statistical measurements) meant to track the efficacy of practices and programs are the technologies by which most public institutions are managed and held "accountable"' (n.p.). They are also the technologies through which individuals and groups of individuals are represented, managed, and held accountable (or not).

My interest in this topic stems from my work in feminist political economy and interest in economic anthropology. In the remainder of this essay I offer a reading of three aspects of Joseph's work – methodology, criminal justice, and gender – concentrating mainly on the questions of methodology and accountability. I conclude with a brief discussion of future directions for this type of work.

Methodology

Joseph articulates the notion that debt may be understood as a generative metaphor describing not only financial debt, but also criminal justice, entrepreneurial subjects, gendered subjects, and academic institutions. To investigate, she suggests a 'methodology of critical abstraction', that begins by setting up her work in contradistinction to Graeber's (2011) *Debt: The First 5000 Years*. Graeber's theorization of debt is, according to her, an example of the 'repressive hypothesis', that relies on the demonization and reification of abstraction in order to cast debt as destructive of 'natural communal energy' (3). She offers, instead, a presentation of debt and credit as generative of social formations.

I differ in my own reading of Graeber and offer a more sympathetic one that will support rather than weaken Joseph's position.

Joseph's analysis of Graeber begins with a refutation of the Romantic discourse of community that positions community as the antidote to capitalism and modernity. Debt and credit are at the heart of capitalism and 'the development and expansion of credit is explicitly seen to have participated in or at least to be symptomatic of the destruction of community, and community is often posited as bulwark against the evils of indebtedness' (3). I agree with Joseph here, but where we part company is in the implication that this is also at the root of Graeber's (2011) theorization of debt.[1] For anthropologists debt is the *bond* that holds communities together and is thoroughly embedded in all social relations and in all economies.[2] Graeber is not arguing against capitalism per se, rather he is unraveling what he sees as the moral confusion around debt. This moral confusion lies in neglecting the difference between people and things, and, in Graeber's reading, this neglect can be laid squarely at the feet of neoclassical economics. Neoclassical economics, often referred to as mainstream economics, is considered by many to be an objective, value-free science, and its scientific status depends crucially on its methodology: rational choice theory and mathematical modeling. This methodology requires treating the human being as a commodity, just like any other commodity. This is the source of the moral confusion around debt, the violation of the principle that human life is an absolute value; its value cannot be expressed in terms of money. The distinction between people and commodities is the ethical principle at the center of Graeber's work.

Graeber is not arguing for a return to a romantic notion of community. As an anthropologist, he is well aware that many premarket societies were neither egalitarian nor peaceful. He does, however, want to question the pernicious morality of debt that follows the reduction of people to commodities. It is in the reduction of people to commodities that Joseph locates Graeber's aversion to abstraction. But Graeber's aversion is to a particular instance of abstraction: the reduction of human beings to a rational economic agent. Resisting the commodification of persons does not necessarily imply resisting abstraction; nor does it imply ignoring the dialectics of abstraction and particularities. It does imply, however, rejecting the notion of people as commodities, of a world ruled by equivalences, of a world ruled by number.[3] It implies rejecting the fantasy world of neoclassical economics where individuals exist in radical isolation and the market is the arbiter of morality.

The ethics of neoclassical economics can be found in social contract theory: the thesis that the body politic comprises separate and equal beings who, being rational, form a union based on consent and contract. Social contract theory has its beginnings in what Graeber calls 'the strange fantasies of liberal philosophers' who explain the origins of society as the result of the decisions of a 'collection of thirty- or forty-year-old males who seem to have sprung from the earth fully formed, who then must decide whether to kill each other or swap beaver pelts' (210). This tumultuous epoch, during which the divine right of kings and power of priests to legitimate that right was being questioned, was also a time when the fortunes of elite Europeans were being built on colonial appropriation. When the British colonists looked at the Americas they saw vast untouched stretches of forests, rivers, and fertile soil. Liberal political theory allowed them to rationalize the taking of this land because it was not private property; it had not been transformed by labor.[4] Thus liberal political theory justified theft by the elite and obscured the roles of power and violence in the acquisition of wealth and property. My question is about accountability. Why, in this theoretically ideal and just society, was the taking of property and persons lauded when it was done in the name of the sovereign, the nobility, or the state, but severely punished when it was done by starving displaced peasants to feed themselves? This is akin to the question of accountability that Joseph raises: What are the processes through which the neoliberal concept of personal responsibility justifies upward redistributions of wealth while those responsible for the financial crisis largely escape censure?[5] What are the social processes that overdetermine accountability?

As I have argued above, for people to be abstracted into commodities, they must be in some sense be equal. This principle, along with the principle of private property, is enshrined in liberal and neoliberal philosophical thought. But of course, this abstract principle is belied by people's actual positions in particular social formations. Although in principle all theft should be punished equally, in practice those responsible for the 2008 financial meltdown have escaped punishment and retained the rewards of their chicanery. The contradiction between the abstract principle of equality and the particular workings of power and privilege as manifest in accounting practices and financial institutions, resulting in amnesty for the wealthy and impoverishment for the poor whose lives and bodies are marked as 'other' has generated social movements such as Occupy, Strike Debt, and Black Lives Matter, as well as personal resistance manifested in a variety of quotidian practices.

Debts to society

It has become a truism that criminals owe a debt to society. However, accounting for the time a prisoner 'owes' to society involves complex and seemingly objective calculations. In Joseph's telling, these accounting practices can be thought of as a socially performative force that articulates particular individuals to seemingly fair and objective abstract rules. Whereas previously the property crimes of the poor were subject to one set of rules and practices while those of the wealthy were subject to another, liberal notions of equality and the rule of law created a legal regime that was symbolically marked by an impartial and uniform adherence to the law. Deprivation of liberty was the appropriate punishment for crimes of property and in principle the time served should be equal for everyone, regardless of class. This new juridical regime was accompanied by a transformation in debtor-creditor relations. Debtors' prisons and indentured servitude were displaced by other mechanisms, such as 'promissory notes that could be enforced or discounted when they were exchanged' and that 'gave creditors alternatives in dealing with overdue debts' (44).

Debtors prisons have returned, partly as a consequence of the privatization of the prison industry and probations systems in the USA. This is a new type debtors' prison for debts that are occurred after the penalty for the initial offense (Stillman 2014, Human Rights Watch 2014). These offenses range from minor misdemeanors like shop-lifting, public drunkenness, and traffic citations to trivial violations of municipal ordinances mandating, for instance, lawn care. Generally they do not warrant jail time. However, if people cannot pay their tickets or fines they are put on 'probation', and ordered to sign up for a payment plan with a company contracted to collect unpaid fines and fees for the court. If the person falls behind on her payments, they can end up with wage garnishments or even jail time, which can result in the loss of employment and even more fees. The end result is that poor people are further impoverished and trapped in webs of debt. Like payday lenders, these for-profit companies seek contracts in cities and counties strapped for cash due to job losses and declining property values. Local governments and debt collectors profit while poor people are demonized as wastrels. Thus a system of racialized for-profit policing has resulted in the creation of new class of indebted subjects.

Ferguson, Missouri provides a stark example of this practice. The situation there is so dire that one could argue that entire city has become a debtors' prison (Cobb 2014, Hendrix 2016). People are afraid to leave their homes for fear of arrest. Ferguson is a predominately black and desperately poor city that earns a substantial amount of its annual income from court fines. Its residents are trapped in a cycle of debt that imprisons them both physically and psychologically. But the city has no other source of revenue. There is an important gender dimension here. In the case of criminal justice, poor women suffer disproportionately because they earn less than men and often have the sole responsibility for children. Moreover, when men are incarcerated it is their mothers, wives, and girlfriends who bear the financial burden by paying exorbitant rates for telephone calls and transportation to and from the prisons for visits. They also provide the money needed by the men for basic necessities like soap and shampoo, thus shifting the costs of social reproduction from the state to individuals and families.

As Joseph notes, the division of people into two classes – the responsible and respectable, on the one hand, and the disreputable and irresponsible, on the other – is part of the larger project of personal financialization, the imperative to manage personal lives through financial accounting practices. People who run afoul of the criminal or civil justice system, even in minor ways, are easily thrust into the latter category. People on the margins for other reasons may suffer a similar fate. Take the healthcare and insurance industries in the US as an example. Anyone, with even minimal insurance, who suffers from a serious illness or has a spouse or child who has, becomes enmeshed in a complex network. This network is composed by a bewildering variety of bills from hospitals, doctors, and laboratories and confusing insurance policies, co-pays, and benefits explanations. Deciphering them takes inordinate amounts of time, patience, and knowledge. That serious illnesses result in mortgage defaults, miserable credit scores, and bankruptcy is not just due to the high costs of medical care, but to the workings of a complex and increasingly opaque for-profit healthcare system. Complex and opaque bureaucracies are part of the problem, but the deeper issue is the shifting of costs to those who are least able afford it, while at the same time creating a new class of persons, indebted subjects who are also physically ill. In neoliberal discourse illness, like poverty, is not a matter of bad luck or even bad genes, but bad choices. Rational subjects choose wellness and act in ways to ensure that outcome. Those afflicted clearly did not make appropriate choices according to the neoliberal vision of the social.

Representations of gender and debt

Able-bodied, unencumbered, and economically rational white men are today's paradigm entrepreneurial subjects. They take risks, of course, because in today's financialized world realizing profits requires taking risks. Risk-taking is in fact extolled in the social imaginary. Countless examples may be found in popular culture, but my favorite representation of this type is the character of Henry Selfridge in the eponymous television series *Selfridge*. Selfridge, an American-born real estate magnate founded Selfridges in 1909, a luxury department store in London. From the first time the character appears on screen, you know this is a man who does not have to worry about the downside of risk. Relatively young, fit, and supremely confident, his moral compass rests on achieving wealth by taking risks, fulfilling his appropriate gender role as the head of his family and guardian of his employees, and extolling the virtues of shopping for pleasure rather than necessity.

In this world, men provide for their dependents by taking risks; women, on the other hand, shop. They are, however, both consumers and financial mediators. The interactions between Selfridge and the major women characters flesh out Joseph's assertion that the boundaries of acceptable risk are set by portrayals of 'women as impulsive shopaholics on the one hand and paralyzed noninvestors on the other' (98). While excess, both financial and sexual, is lauded in men, it is problematic for women. The lives of the excessive women – Lady Mae Loxley, a powerful socialite, and Ellen Love, a beautiful dance hall performer – are vigorously policed by social norms, institutions, and cultural conventions in ways that men's lives are not. The risk-averse women – Rose, Harry's wife, and Agnes, the shop girl who makes good – have their subjectivities tied up with notions of respectability and obedience to a patriarchal and hierarchical society. As Joseph argues, excessive women must be brought under the control of men, who in turn are called on to become risk-taking entrepreneurial subjects. It is the task of obedient, respectable women to mediate the excesses of men.[6] The respectable women are the ones who are accountable, and they are generally the ones with the least power in the face of financial institutions that are far beyond their control.

Joseph's statement that 'negative, pathologized portrayals of women as impulsive shopaholics on one hand and paralyzed noninvestors on the other indicate the boundaries of responsible entrepreneurial subjectivity' (92) yields an important insight about the reasons why none of those truly responsible for the 2008 crisis were held accountable. They had nothing to be accountable for: they were simply fulfilling their necessary entrepreneurial role. Accountability lay not with them but with racialized and feminized subjects who allowed themselves to be duped into taking on risky mortgages and were too ignorant to understand the contracts they were signing. Just like people facing bankruptcy from illness or those imprisoned in their homes or cities, the unruly ones, the poor and disreputable ones, are the ones to suffer the consequences of financial collapse.

Conclusion

Let me return to my original claim that an anthropological theorization of debt is complementary to Joseph's. Anthropologists are deeply critical of mainstream economics and its utopian vision of self-regulating market economies, which understands social relations as embedded in economic relations. Not only is this morally wrong, it is also bad social science. Anthropologists understand economies as embedded in social systems or, to use Joseph's term, social formations and are thus able to examine the ways that cultural inscriptions and economic processes circulate in tandem and engender unjust social and racial formations. This examination is necessary to understand the moral confusion around debt without resorting to calls for accountability and responsibility, which are ultimately futile and which reinforce rather than resist the imposition of norms of respectability and responsibility on the powerless, while leaving the powerful immune. To better articulate my claim about the complementarity let me quote Joseph at length.

> [B]ankers […] deploy the credit that allows free – liquid – movement through time and space, enabling them to live in whatever present they might prefer. They are shielded by a red herring in the form of the apparently particular, but in fact statistically created, present-oriented, irresponsible childbearing young woman of color. Meanwhile 'responsible' workers and savers (consumers and borrowers) bear the debt, the obligations and responsibilities […] Intricately intertwined, neither responsibility nor irresponsibility provides the leverage against the social processes that generate the scenario: insisting on responsibility turns out to be *ressentiment*, a self-defeating expression of moral superiority by the losers; and irresponsibility […] must be understood as a normal privilege of the powerful and creditworthy, those in command of the technologies of accounting and thus the attribution of credit and debt. Rather than join in the effort to extend and reinforce the norm of responsibility, I will persist in the effort to pick at its cracks and fissures. (80–81)

Anthropology is well suited to pick at these cracks and fissures. What is it about the culture of neoliberal capitalism that constructs these classes, and what are the forces that animate them? How is it that the ability to navigate the intricacies of compound interest, double-entry bookkeeping, and neoclassical economics has become a path toward power and privilege? Once on it, what are the cultural practices that maintain status? Who, at the top, is held accountable and under what conditions? What are some of the micro-interventions by national governments and transnational institutions that mitigate the excess of markets? What strategies can we craft to create an economically just society? These are the questions we need to be asking in order to escape the impasse between futile calls for accountability and nihilism. *Debt to Society* has opened the door for asking such questions, and I look forward to the conversations that will ensue as we move forward.

Notes

1. Joseph's critique of 'community' emerges from (and is more fleshed out in) her previous book *Against the Romance of Community*.
2. See Mauss ([1950] 2000) and Polyani ([1944] 2001) for foundational accounts of this reading of the economy of debt.
3. *A World Ruled by Number* is the title of Margaret Shabas' (1990) book about William Stanley Jevons and the rise of mathematical economics.
4. There were, of course, other rationalizations used, most famously perhaps the notion that the colonists had a civilizing mission. It was their duty to lead the dark, indigenous heathens into the light of Christianity.
5. Although Joseph is careful to point out that 'some caution is warranted before we pile on demands for accountability that ultimately affirm the juridical regime of accounting "debts to society" that has been so central the reproduction of racial hierarchy in the United States' (xiv).
6. Men's excess may be manifested in terms of money and finance, but also in terms of appetites for adventure and sensation.

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