

Notes on *Debt: The First 5,000 Years*

by [Jacob Williams](#) • last updated 2025-02-14

(I listened to this on audiobook, so these notes are less organized and precise than they would otherwise be.)

Graeber starts off by ruminating on the idea that one ~“has to pay one’s debts”, which he notes isn’t generally correct economically: the possibility of default is what forces banks to avoid unreasonably risky loans. Yet, he says, the knowledge that poor countries will be forced to repay is part of what encourages banks to make loans to unreliable dictators.

Graeber points out the incongruity between two widespread beliefs: that we’re obligated to repay debts, and that it’s wrong to be a lender. I feel like this point is undercut by the fact that the stigma, afaik, is against lending with interest; people could totally understandably think giving and repaying interest-free loans is good while opposing interest.

Criticizing the standard economic story in which money evolved from a barter economy, Graeber says barter economies have never been found anywhere, and where societies do use barter it’s typically just between strangers. He thinks the idea of barter is useful to economists because it lets them imagine trade as a separate sphere of human activity rather than being entangled with every other aspect of our lives.

Graeber says markets don’t arise naturally; kings required payment of taxes in money in order to *create* markets that could sustain their armies.

He rejects the “primordial debt” theory, on which (I’m a little fuzzy on this) states instituted monetary taxes to represent payment of a debt to the gods/death/ancestors/society.s/death/ancestors/society.

Interesting statement regarding an anecdote from *Book of the Eskimo*:

Rather than seeing himself as human because he could make economic calculations, the hunter insisted that being truly human meant refusing to make such calculations, refusing to measure or remember who had given what to whom, for the precise reason that doing so would inevitably create a world where we began “comparing power with power, measuring, calculating” and reducing each other to slaves or dogs through debt. (Graeber 79)

Graeber says something I’m not sure I’d heard before regarding a parable of Jesus: that “ten thousand talents” is a completely over-the-top sum, analogous to “a hundred billion dollars”.

(Graeber 83)

Graeber talks about “baseline communism” being a common feature of human relations in all societies.

Graeber thinks cultural practices like bride price and blood price really stand for the *inability* for anything to compensate for a human life—the practices somehow indicate recognition that the price isn’t actually equal.

Graeber connects the gradual loss of women’s power/freedom with the rise of debt/money.

Graeber talks about the absolute power slave owners had over slaves in the Roman republic.

Graeber portrays the Middle Ages as an improvement over the Axial Age for the common people.

Graeber says some of Adam Smith’s work was derived (plagiarized?) from much earlier Islamic texts.

Graeber says that when Adam Smith talked about people not relying on the goodwill of bakers/etc to do their daily business, this was actually untrue at the time, because credit/debt was the standard way of conducting business in villages then. He says Smith intended this as a utopian vision. The credit/debt system was becoming a problem because the criminalization of debt, and harsh accompanying penalties, was tempting people to betray their neighbors.

For the debtor, the world is reduced to a collection of potential dangers, potential tools, and potential merchandise. Even human relations become a matter of cost-benefit calculation...

It is a peculiar feature of modern capitalism to create social arrangements that essentially force us to think this way. The structure of the corporation is a telling case in point.... It is a structure designed to eliminate all moral imperatives but profit. The executives who make decisions can argue—and regularly do—that, if it were their own money, of course they would not fire lifelong employees a week before retirement, or dump carcinogenic waste next to schools. Yet they are morally bound to ignore such considerations, because they are mere employees whose only responsibility is to provide the maximum return on investment for the company’s stockholders. (The stockholders, of course, are not given any say.)

(Graeber 319–20)

“Self-interest” is first attested to in the writings of the Italian historian Francesco Guicciardini (who was, in fact, a friend of Machiavelli), around 1510, as a euphemism for St. Augustine’s concept of “self-love.” For Augustine, the “love of God” leads us to benevolence toward our fellows; self-love, in contrast, refers to the fact that, since the Fall of Man, we are cursed by endless, insatiable desires for self-gratification—so much so that, if left to our own devices, we will necessarily fall

into universal competition, even war. Substituting “interest” for “love” must have seemed an obvious move, since the assumption that love is the primary emotion was precisely what authors like Guicciardini were trying to get away from. But it kept that same assumption of insatiable desires under the guise of impersonal math, since what is “interest” but the demand that money *never cease* to grow? The same was true when it became the term for investments—“I have a twelve-percent interest in that venture”—it is money placed in the continual pursuit of profit.⁵⁹ The very idea that human beings are motivated primarily by “self-interest,” then, was rooted in the profoundly Christian assumption that we are all incorrigible sinners; left to our own devices, we will not simply pursue a certain level of comfort and happiness and then stop to enjoy it; we will never cash in the chips, like Sindbad, let alone question why we need to buy chips to begin with. And as Augustine already anticipated, infinite desires in a finite world means endless competition, which in turn is why, as Hobbes insisted, our only hope of social peace lies in contractual arrangements and strict enforcement by the apparatus of the state.

(Graeber 332)

Our dominant image of the origins of capitalism continues to be the English workingman toiling in the factories of the industrial revolution, and it is assumed this image can be traced forward to Silicon Valley, with a straight line in between. All those millions of slaves and serfs and coolies and debt peons disappear, or if we must speak of them, we write them off as temporary bumps along the road. Like sweatshops, they are assumed to represent a stage that industrializing nations had to pass through, just as it is still assumed that all those millions of debt peons and contract laborers and sweatshop workers who still exist, often in the same places, will surely live to see their children become regular wage laborers with health insurance and pensions, and *their* children, doctors and lawyers and entrepreneurs.

When one looks at the actual history of wage labor, even in countries like England, that picture begins to melt away. In most of medieval northern Europe, wage labor had been mainly a lifestyle phenomenon. From roughly the age of twelve or fourteen to roughly twenty-eight or thirty, everyone was expected to be employed as a servant in someone else’s household—usually on a yearly contract basis, for which they received room, board, professional training, and usually a wage of some sort—until they accumulated enough resources to marry and set up a household of their own.⁹⁹ The first thing that “proletarianization” came to mean was that millions of young men and women across Europe found themselves effectively stuck in a kind of permanent adolescence. Apprentices and journeymen could never become “masters,” and thus, never actually grow up. Eventually, many began to give up and marry early—to the great scandal of the moralists, who insisted that the new proletariat were starting families they could not possibly support. (Graeber 351)

References

Graeber, David. *Debt: The First 5,000 Years*. Melville House, 2011.