



Debt: The First 5,000 Years

David Graeber

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Before there was money, there was debt

Every economics textbook says the same thing: Money was invented to replace onerous and complicated barter systems—to relieve ancient people from having to haul their goods to market. The problem with this version of history? There's not a shred of evidence to support it.

Here anthropologist David Graeber presents a stunning reversal of conventional wisdom. He shows that for more than 5,000 years, since the beginnings of the first agrarian empires, humans have used elaborate credit systems to buy and sell goods—that is, long before the invention of coins or cash. It is in this era, Graeber argues, that we also first encounter a society divided into debtors and creditors.

Graeber shows that arguments about debt and debt forgiveness have been at the center of political debates from Italy to China, as well as sparking innumerable insurrections. He also brilliantly demonstrates that the language of the ancient works of law and religion (words like “guilt,” “sin,” and “redemption”) derive in large part from ancient debates about debt, and shape even our most basic ideas of right and wrong. We are still fighting these battles today without knowing it.

Debt: The First 5,000 Years is a fascinating chronicle of this little known history—as well as how it has defined human history, and what it means for the credit crisis of the present day and the future of our economy.

Debt: The First 5,000 Years Details

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From Reader Review Debt: The First 5,000 Years for online ebook

Patrick says

This is a very thought-provoking analysis of the relationship between morality, debt, property, and money. Essentially, the author explores, through history and anthropology, the tension between the common beliefs that one should always pay one's debts and that to make a profit on lending money is wrong. In particular, this issue bears on our political unwillingness to change a situation where the vast majority of Americans will spend their lives paying off debts to a tiny minority who enjoy ludicrous profits from the work of the majority.

I can't judge the scholarship, but at times an editor's hand would have been useful to tighten things up (there is a glaring factual error regarding the founding of Apple Computers and I just came across two sequential paragraphs which repeated the same information in slightly different form). My only major caveat concerns the last chapter, which covers the past 40 years, in which the author reaches a slew of conclusions which are poorly supported by the text. I happen to agree with many of them, but I wish this part had been fleshed out by convincing arguments. Even if, as the Clash put it, the future is unwritten, many of us will need persuading about which possible verses should come next.

Katie says

In a word - brilliant. Just when I thought I understood all the false assumptions in modern economic theory, David Graeber uncovers yet another huge, unfounded assumption that economists discuss as if it's a matter of fact. I clearly remember sitting in my intro to macro class and hearing about how before there was money, people bartered and it was terribly inconvenient, then money was created and saved everybody. I guess it shouldn't be a surprise that yet another aspect of our economic theory is based on complete, make-believe, bullshit, demonstrating once again, that while real scientists study historical records and base their theories on evidence, economists base their theories on utopian fantasies.

This book makes a lot of great points. Among them, that human history is full of examples of societies that were both stateless and marketless and that economists have ignored large parts of history where people shared resources. That unlike economists claim, measuring value and recording debts (virtual money) actually predates writing. That coinage and markets became necessary for the state to pay armies - that physical money wasn't necessary in the transactions that normally took place within a community, among people who knew and trusted each other, and only became necessary for impersonal transactions among strangers (and thieves).

Thanks to this book, I understand why people are trying to create local currencies and new ways of measuring value (such as time banks). It was a truly eye-opening read and I can't recommend it enough.

Hadrian says

I've returned to this book five years later, and now I'm struggling to find what I enjoyed so much in it the

first time around. I'm even struggling to articulate what exactly Graeber's *point* is.

This is a sprawling, wide-set book that seems almost incoherent, first setting up the strawman of intro economics textbooks discussing barter economics - but barter wasn't so common! The early economic history was and is still interesting, and now I'm tempted to go read up on the early Mesopotamian period and debt tablets.

But after that just seems to be a vicious invective against the stories told in economics 101 textbooks - as if all of physics dealt with frictionless objects in a vacuum. Now it's just 'this event is bad', 'event had debt involved', 'therefore debt bad'. Then stories about currency devaluation, then human economies, then everything all over the map. It all sounds interesting and I remember digging out books from the bibliography, but it's not so connected to a main point.

If you're interested in books about the negative effects of consumer debt - there are better books for that. For economic history, there are better books for that. I suspect its appeal for other readers (and to myself-as-of-five-years-ago) was the specter of debt at the bottom of the recession, and the concluding idea of a debt holiday was more tempting. I'm not against debt relief at all either! I'd prefer it to be more continuous and systemic, not just a one-time event.

Darwin8u says

"As it turns out, we don't "all" have to pay our debts. Only some of us do."

? David Graeber, Debt: The First 5,000 Years

A fascinating exploration of debt, money, barter, and the credit systems used by man for thousands of years. Sure it has biases and like Capital in the Twenty-First Century is a bit too idealistic, but still -- wow -- an amazing read. While most economic books are still battling over the binary capitalism::socialism model, Graeber quietly flips both boats (or if not flips, rocks both boats HARD).

I mean really, when was the last time my wife let me read to her about social and economic transactions? Answer: Never. She has NEVER, EVER before let me read to her about money or debt or interest rates or the buying and selling of goods. This was an early rule in our marriage. It was practically a sacred cow, a promise made with a flesh-debt. We even broke bread sticks over it (I still have my stale tally). We kept our bargain, till this book, till last night. THAT is how good it is.

Anyway, go ahead read it in bed. Read it to your wife -- in bed. If you are really equals she will tell you after a few minutes whether she is in your debt, or you are in hers. And, that's OK. We are all debtors anyway.

Bill says

This is a book that made an impression on me. I will say right up front that it doesn't totally hang together. It sets out to make a step by step case, and gets carried away with its own ideas. It is intellectual for a popular

book, but not tight enough for an intellectual book (which is probably fine by me). It attempts to sell you on a grandiose prediction or statement of where we are in the arc of history and where we are going at the end of the book. It is easy to get swept up in that sentiment, because David Graeber is clearly a passionate, intelligent, and contentious person.

What this book does attempt to do, and succeeds at doing in my opinion, is get you to step back from the current moment in time and view it in the context of an enormous span of history. Maybe I need to read more history, but this is the first book I've read that has pulled me out from a post-Enlightenment perspective of the world. Reading this book is just soaking in the the perspective of a man who is an activist, opinionated anthropologist, and it sort of pulls the blindfold off a bit. It is only since reading this book that I've found myself reading about events like the Great War and really grasping how alien to me that pre-war era and its attitudes were.

Anyway, if you hear about this book and find the idea of reading it appealing, you will rip right through it. To me, it was engaging and thought provoking, even though I felt compelled to take a bit of salt with every page.

KatieMc says

First half 5 stars, second half 3 stars.

When I was in the 5th grade, we had a social studies unit centered around a book called Life On Paradise Island. It was a cartoonish book that told the tale of how a modern economy is developed. It started with the islanders trading coconuts for fish. Of course things got complicated when the coconut guy didn't need or want fish, but he wanted a hut built and the hut builder wanted something else. Eventually a stone currency was developed and it made trading so much easier and lead to thing like inter-island trade, unions, recessions, and even war. The whole thing was supposed to be a microcosm of how an economy works, and I must say that it left an impression on me since I still remember it. The whole premise is that barter leads to the concept of money and once you have money, all sorts of things can happen. Turns out, that premise may not be right.

In Debt, the author debunks the theory that barter begets money. His basic premise is that debt came first. Not being an economist, this seems a bit like a chicken & egg argument. However, the author presents the concept of worth and debt in an anthropological and sociological context which is very compelling. The first half of the book is strong, especially with respect to human relationships and worth. The chapter called **Honor and Degradation, or, On the Foundations of Contemporary Civilization** goes into the dynamics of human relationships and discusses slavery at length, a topic that I realize I know very little. The chapters after the middle ages were ok, just not as interesting to me. The book was refreshingly free of any capitalism vs. socialism (aka left vs. right) debates, and even argues that parts of our lives are very communistic.

Colleen says

As a sociologist, I've been despairing of late at the paucity of imagination and theoretical innovation in social science research. Academics, perhaps because of the need to publish quickly and garner grant money, seem content to only add statistical validation to already established conclusions. Or, a la David Harvey, to regurgitate Marx with minor variation, with a focus solely on the neoliberal period, and in US/Eurocentric fashion.

Debt: The First 5,000 Years redeems the social sciences. Not easily reduced to a brief summary, the book asks the questions: How has humanity--from the ancient cities of Mesopotamia to the current day--conceived of the idea of debt? How has the construction of debt been inextricably bound to economic, religious, political, and historical realities? And, finally, it asks a provocative philosophical question: Given the history of the social construction of debt, how do we in the current moment respond to our own alleged indebtedness?

To answer these questions, Graeber embarks on the massive project of giving us a history of debt as a both a moral and economic concept, documenting in relentless and glorious detail how that concept changed through major periods of time (Ancient, Axial, Middle Ages, Early capitalist and current period) and amongst different societies (Islam vs. Christianity, etc.) In doing so, he shows conventional economic truisms for what they are: utter falsehoods. Exciting insights are also given into how people have resisted paying debts throughout history, this is not a passive story meant provoke sympathy.

The last chapter on the current period (1970's--present) felt a little rushed and given the gravity and depth of the previous chapters, I think it could have used more of a drawing together of all of the many fascinating points made in the book. Graeber doesn't offer any concrete suggestions (neither did Marx, so this can be easily forgiven) other than a Jubilee, but I hope that he does lend his imaginative and analytic powers to praxis in the future.

The read provides one not only with a new extraordinary depth of knowledge, but also stimulates new questions and hopefully will inspire other researches to continue following Graeber's lead. Lastly, it makes one think more humanistically about what our true debts are...a book everyone should explore numerous times.

David says

Okay that's much better! Thanks for all the reviews

Void lon iXaarri says

I would call this an interesting but dangerous book. As opposed to other books in which every moment was a learning and enlightening enjoyment this book was exhaustingly tense because I found it to be a very confusing mix of dangerous (but plausible) ideas written in a smart way, and interesting historical or world data. So, I'll start the review with the negative things, and then move onto the positive ones:

- the author seems to have a clear agenda, of attacking capitalism & free market ideas, and to this end he's willing to use what I would call disloyal weapons. I'm happy to hear of opposing ideas when they are argued logically and without resorting to trickery, but the author uses a large amount of mixed and confusing philosophical debate to confuse, and imposes language with moral undertones to push his arguments: for example in his attempt to vilify clear quantization of values as we do through currency he calls the non-monetary solution "human economy" (the other one must be inhuman, right?). Similarly he perverts the concept of familiar/church/friends sharing which I haven't heard any free market/capitalist people deny (on the contrary they seem to more often have healthier family & social relationships while their opponents like Marx have broken families, suicidal children and other tragedies), aaa, where was I? yes, he perverts these positive relationships by calling them "comunistic", thereby bringing their positive aura onto a social/political system that has caused millions of deaths and huge suffering... I find such trickery disloyal

- from the title and description I had assumed the book would be largely filled with historical data, but mostly i had to endure philosophical bla-bla-bla and a particularly non-objective style of exposition

- i call this a dangerous book because I know there are a lot of people out there with soft logic abilities, and less historical knowledge or analytic abilities, and they might be tricked by the book, so i would recommend the book only if you've read at least another 5 historical and economics books with a more analytic lean, be it from the ruthless logic of Rothbard & Mises or the historical facts of people such as Sowell

- I liken the authors style and method to Marx because like him his goal is to attack capitalism (did you know that not capitalists but Marx coined the term with the purpose of attack?), and they are both very smart people with high entertainment value/intellectual writing and both spend a lot of time attacking something while then being unsurprisingly blank at proposing anything better in a consequent matter so that others can poke holes at their position too, instead they are positionless and thus can't be attacked themselves. Also the author seems very tricky in his attacks... does he mean to attack the system whereby people save first and then use those savings? does he propose that debt spending is better? does he think that nothing can/should be quantized and we should all remain in a primitive society style (yes, he searches a lot in history and present for obscure examples of tribes to argue his points, but doesn't seem to notice that maybe there's a reason those were left behind). Instead he seems to define capitalism as everything he can cherry pick through history and present day that is bad, which of course makes it very easy to argue against them.

There are however good things in the book too:

+ while IMHO setting up straw many arguments and guilty parties he does seem to see some big problems, he sees how the system today will probably go through a historically recurrent reset of debt and maybe complexity

+ he dares to talk about subjects such as the American empire, the support it gets from countries with troops stationed in their territories, and such things

+ while with some biases he does bring forth very interesting historical data about debt & credit based system in the past

+ if you have the right historical and economics background, particularly if you are versed in hard money ways of thinking it may provide some interesting alternative points of view which should improve your perspective as to possibilities of not just where we have been but where we might be going

Overall I'd say it was a useful addition to my mental library, but one filled with many logical, moral and

ideological traps, which is why I wouldn't advise it to many people as I find the author to be brilliantly smart and subtle, and some of his propositions are expressed in such ways that few people will be able to uncover them, let alone respond and fight them.

Aron says

It's not often that one reads a book on political economy that is as thrilling to read as a detective novel, but Graeber's *Debt* is just such a book. Perhaps because he is an anthropologist, not an economist, he is able to take on a seemingly boring and pedestrian topic, and write an eye-opening book which addresses the origins of the current crisis of capitalism.

Graeber's theme is a simple one. What makes us human is our relationship with others, starting with our mothers, then family and then tribe. Left to ourselves human beings would organize co-operatively and naturally share with each other the fruits of our labor. The goal in our life is to enjoy human interactions.

Over the course of 5000 years, this form of natural relationship has become completely distorted. We now see our life goal as to be producers/ consumers whose function is to exploit the world. We base human relationships on cold calculations of gain and loss, credit and debit.

Since such a world view (often referred to as 'capitalism') thwarts our basic nature, Graeber provides an anthropological/ historical survey of how the world ended up where it is today. His central thesis is that our current view of how society ought to be organized, can only have been created and maintained by violence. War, which rips apart all human relations, and removes individuals from their web of connections, is what allows us to place financial value on another human, as opposed to the inherent idea that every human is invaluable.

When summarized in this way, Graeber's thesis may sound simplistic and reductionist. But while his basic thesis IS a simple one, what makes the book brilliant is the depth of research and intelligent analysis that supports his argument and gives it depth and richness. By providing an overview of the concept of debt across 5000 years of history and ranging over many cultures across geography and time, Graeber convincingly makes his radical arguments seem almost self evident.

There are times, of course, where Graeber's ideas do come close to being reductionist, despite the vast wealth of well documented data he provides (and yes, read the footnotes too! Lot's of interesting details are contained therein). For example, in trying to contrast the "non-imperial" Medieval era to its predecessor the "imperial Axial" age, he leaves out a discussion of counter examples like the Mongols & the Turks. Similarly since one of his main goals in the book is to provoke people out of their conventional thinking, on more than one occasion he exaggerates to make a point. For example, while Medieval Islam has much to be admired, I am not convinced it was as much the anarchistic market system that Graeber tries to argue it was, nor, for related reasons, should one expect brilliant economic insights to come out of modern day Islamism. But Graeber is both too intelligent and too much the academician (in a positive sense) to fall into the trap of becoming a propagandist. He duly notes what he leaves out and acknowledges when his arguments are unconventional. And he always indicates that he may be over emphasizing some point precisely because it is too often ignored or trivialized.

A while back in a review of Rushkoff's awful book which covered similar themes, I lamented that there was not yet a contemporary book that provided a coherent criticism of modern day capitalism. Sure Marx still has

much to teach us, but so much has changed since *Das Kapital* was written, and Marx' alternative system has proven itself a dismal failure. Graeber's has now provided us with just such a book - a compelling, provocative critique of financial capitalism and neoliberalism. And his call to action is neither another utopian vision nor a feel-good New Age trope. Rather, by surveying the rich and varied approaches to organizing societies over the past 5000 years, Graeber gives us tools to help us begin to re-imagine a better future for humanity.

Trevor says

As I was reading this I couldn't help thinking how much it reminded me of *The Gift* by Marcel Mauss. I got halfway through *The Gift* recently, and even though it is very short, I still got distracted with other things and haven't finish it yet – which, as the author of this says, makes me a bit like Mauss himself. I will finish it – but almost don't need to now.

This book is born out of a chance conversation about third-world debt the author had a woman at a party. She felt that paying one's debts was always the right thing to do. He argued the standard lines I might use myself if arguing on this topic: that there are debts and then there is bondage; that the people who borrowed the money aren't always the same people expected to pay it back; that often those forced to pay back a debt had already done so many, many times over; that, even though they had already done this, they still often owe as much and sometimes even more than was originally borrowed; or that in a world drowning in debt it is only the obscenely rich who benefit at all from all this repaying of debts...

But weeks later, the author could still hear this woman's 'moral' argument echoing in his ears, with her saying that we must always 'pay our debts'. And that is particularly interesting, since, in so many ways, 'debt' is not only an economic or financial idea, but rather a central concept in our morality – particularly in the sense of the unrepayable debts that we owe, say, our mother and our gods. Which is also amusing when you think of it, that we owe an infinite debt to those who have created us out of nothing.

This book is a history of debt, but also a history of us as humans. He divides this history into four major epochs: what he calls The Axial Age (800BC-600AD – when all of the current major religions were born), the Middle Ages (600-1450), the Age of the Great Capitalist Empires (1450-1971), and the Beginning of Something Yet to Be Determined (1971-present). He also gives an interesting account of how debts different across geographies, so that debt in Ancient China didn't mean the same thing as debt in Africa. And how debt was used (the example given here is of the Conquistadors) to make already savage acts unspeakable.

I'm not going to get into this history, as this is a long book and my review would quickly become impossible, but I want to look at a couple of particularly interesting ideas I found along the way.

The book begins with what the author makes clear is a kind of a mythic history – which, ironically enough, is the history that virtually every economics textbook begins with. That is, he discusses the pre-history of money that was supposed to be barter. In the mythical barter land we are invariably confronted by two people who want to trade, but they struggle to be able to do that because no one can reasonably work out how many chickens a cow was worth – and even, if they do get around to work this out (say it is 37 chickens to the cow), what were they now going to do with all these damn chickens? He points out that at the core of this myth of barter is the idea that money, like an acorn in the story about to become an oak tree. Money is the universal store of value, something that can stand in for all other values, and something that can be infinitely divided (unlike either the chickens or the cows being bartered) and as I said, this is something that

is always imminent in these just-so barter stories. But even though this land of barter never actually existed, we never seem to recognise that, we also seem to believe it as fact. The author is an anthropologist, and so when he says that we have never found a nation or tribe that exclusively used barter as its major system of exchange, we ought to take him seriously.

He goes so far as to say barter could never become the fundamental basis for exchange in any society. He gives a description of the violence with which people who do barter (he isn't saying no one ever bartered, we even barter today), but when they barter they snatch and grab at the things being exchanged. People bartered, but when they did it rarely pretty.

Debt is interesting. And interesting in similar ways that gifts are interesting. Gifts need to look like they are gratuitous but in fact they invariably also have a series of rules associated with them. For instance, only bad things come from giving the wrong sort of gift to someone – whether the gift is too generous or not generous enough.

One of my favourite fairy tales is from Calvino called Catherine, Sly Country Lass. It starts with Catherine's father finding a golden orb or something (sorry, it's been a while since I read it) and saying he is going to go give it to his king. Catherine tells him not to, as her father will only end up in trouble – but since it is of the nature of fairy tales for side characters (her dad) to never to listen to the good advice of protagonists (our Catherine), he gives the gift to the king and the king throws him in gaol, as predicted by his sly daughter. According to Mauss (the also sly) this outcome shouldn't really surprise us, because, well, how would the king have been able to repay such a gift to one of his inferiors? Gifts need to be carefully judged so as not to cause offence. But the other thing that is made clear here is that gifts can't be an 'exact exchange'. If you give me 12 roses, I can't give you 12 roses back. There needs to be a distance (in time) between the giving of the gifts (to sustain the illusion of the gift being freely given), but also often the second gift will need to be of slightly higher value than the first one received, so that both parties remain tied in obligation to each other. And that is the actual point of gift giving – to create bonds of obligation and therefore to provide necessary social bonds.

I found a lot of the stuff in the middle of this particularly interesting. We are constantly told today that the most natural mode of human interaction for us is the market – preferably capitalist markets, obviously enough, but if push comes to shove, any market will do. He points out that for much of human history such markets really didn't exist in anything like the way the myth would have them, and that for most of the time people operated nearly as communists. As he repeatedly says, families and the very wealthy exist as basically forms of communism as the norm, rather than the exception.

He quotes an Atwood novel where she talks of a father who presented his son with a bill that detailed everything he had paid for his son since his birth. As the author points out, it is very possible to do this, people have been making itemised accounts of just about anything forever – but to seek reimbursement in this case is pretty well the best way to guarantee the end of a family relationship.

I really liked this book – another book I started recently was *Symbolic Exchange and Death* by Baudrillard. In that he says that one of the problems left wing people have with explaining why the workers of the world haven't risen up and expropriated the expropriators is that they see 'work' as being mostly about 'exchange values' – whereas Baudrillard thinks it is best understood as being about symbolic exchange values. That is, the gift of a job from a boss doesn't equate, as economic theory generally asserts, to the free exchange between two free people, but rather is felt symbolically by the worker as being something that is within the gift of the employer to present or to take away – and as a gift a job means the difference between, well, perhaps not life and death, but certainly between a good life and one of suffering. So, symbolically, the

worker isn't entering into an exchange between his time and the boss's money, but rather the worker is in receipt of a gift that can never be repaid – a gift of livelihood. All of which makes the employer/employee relationship deeply problematic and social revolution also something of divided loyalties.

This is the second book by this author I've read in quick succession and have enjoyed them both.

Caitlin O'Sullivan says

I think of Goodreads stars as the following: 1, shouldn't have been published; 2, terrible; 3, pretty good; 4, really good; 5, everyone should read this (because it's eye-opening, incredibly skillful, and/or beautiful).

Debt is a five-star book.

Graeber's history encompasses not just history, but anthropology, sociology, psychology, philosophy, political science, economics, religious studies, and finance as he details the history and definition of "debt." The conclusions he draws are--especially if you've ever taken an economics class, or, like me, gotten a degree in the subject--shocking and overwhelming. It's not an easy book to read: the subject is complex and the writing is much more challenging than the average pop sci book--this is not *Freakonomics*. As well, the sheer sweep of the book--and the author's tendency to jump from subject to subject and theory to theory--make this a bad book to read on an airplane, around children, or in small bites before bed. But if you can stick it out . . . well, your first reaction might be (like mine) to want to start reading it over again.

Some of the questions Graeber answers in *Debt* include:

What was the original meaning of the word "freedom"?

Why were the Middle Ages of Europe just after the Black Plague one of the best times to be a worker, and what surprising reason brought that period to an end?

When and why might paying cash for a meal have marked you as a government official or a criminal?

Debt will change the way you see the world. I hope you read it--although I can't lend you my copy. I'm rereading it.

Mike Dillon says

Fantastic book. To quote the words of Arundhati Roy: "The trouble is that once you see it, you can't unsee it. And once you've seen it, keeping quiet, saying nothing, becomes as political an act as speaking out. There's no innocence. Either way, you're accountable."

Thanks for helping me see more clearly the true contours of the life we live. I guess I'm accountable now.

Emily says

I had a difficult time slogging through *Debt*. It shares a similar problem with Niall Ferguson's completely

unreadable "the Ascent of Money:" it mixes in the author's politics and political leanings with history to give everything this weird political sheen (in this case left to Fergeson's right.) In this case, Graeber's book covers more facts than political lecturing but it's bumped several stars for being overt.

However, Debt is a worthy read for anyone interested in the span of history from early Sumerian - Middle Ages. The sections on Babylonian debt-based society and the Roman slave society are especially strong; the entire chapter on the Axial Age and the move to coinage over debt to pay for mercenaries is good and solid read full of meaty "stuff." The effect of the fall of the Roman Empire on the coinage left in circulation and how that contributed to the Dark Ages while the smaller communities returned to earlier debt and borrow strategies is also good. I liked the breakdown on how debt goes back to wife trading and wife purchasing with cows as demonstrated in Africa and moving from that to a more generalized market -- the first people to ever price physical objects were, of course, thieves who needed to sell them for other things. And the most precious commodity is a human being.

Debt falls down in the Islam chapter and the China chapter, both which feel thin and full of conjecture. China has a big piece to play in the Cortez-dumping-silver-on-the-European-economy section but otherwise, it's glossed over. The chapter on the rise of Islam and the role it plays is dry and nearly unreadable.

What I want to say about Debt is to skip the boring parts and read the interesting ones. Skipping to halfway through the book to the Axial Age chapter is a good strategy. Skip everything after the Middle Ages -- Graeber hardly has interest in things like 18th century stock bubbles (although mentioned) and the rise of the East India Company. Saying, "Yeah this is a great book on ROME!" is good. Saying, "This is a great book on the history of monetary policy!" is not. It's an okay introduction to the genesis of debt, a great discussion about ancient and near-ancient monetary policy, and a fairly terrible one on the modern day.

Not a waste of time, but not 5 stars either. A good 3.5 star book.

Darran McLaughlin says

A superb book. Throughout reading this book I felt like little epiphanies were going off in my head as Graeber presented new information or new analyses that I hadn't considered before. Graeber manages to expose the violence, coercion and inequality that has become sublimated in the bland language of credit and debt so that most of us see debt as an impersonal, objective and moral issue. He opens with an anecdote that inspired him to write this book in the first place, describing attending a party and meeting a lawyer who is an activist for social justice issues with impeccable Lefty credentials. She discovered that he was involved in protesting against IMF policies and asked what he hoped to achieve, to which he replied that he wanted the debts third world countries owe to rich countries wiped out because of the appalling injustice it was creating, to which she replied that surely we all have to pay our debts. Graeber decided that if even somebody as intelligent and ethical as her could see the carnage taking place in the third world as a necessary consequence of a simple and obvious moral that we all must pay our debts he needed to expose the complex history behind this notion and wrote the first (!) ever history of debt.

(Got to run, may come back to this later)

Ospinboson says

I haven't finished reading yet, and I will try to write a more substantive review of this book once I've had time to wrap my head around the contents, but until such time has come, I would simply propose to consider this book the new answer to Douglas Adams's *Ultimate Question of Life, The Universe, and Everything*. If you've ever wondered whether there is a connection between -- to name just a few things -- simple social obligations, the invention of money, slavery, taxation, coinage, the disappearance of honor societies, the possibility of (extended) wars, the rise and fall of the (West-)Roman empire, the relative stability of the Chinese empires, the emergence of the great world religions, and the current financial crisis, you might be interested in reading *Debt*.

(For more, see e.g., [this](#) (shorter) or [this](#) (longer) interview with the author.)

Michael Burnam-Fink says

This might be the most important book you read this decade. Graeber asks what the phrase "You have to pay your debts" really means, and his answer involves a looping historical, anthropological, linguistic, and philosophical inquiry into the nature of currency, coinage, and capitalism.

As Graeber notes, the standard economic story of the development of coinage: that bartering diverse goods (potatoes for shoes for sheep for shovels) was so inconvenient that people developed cash to be more efficient, has no evidence of support. Rather, indigenous societies tend to work on principles of mutual solidarity within the group. Everybody is bound together in a complex web of minor debts and obligations, the cancellation of which is the same as the end of the relationship. Currency in these 'human economies' is used to arrange marriages and compensate for murders. Their purpose is not that human beings can be bought, but precisely to point out how unique each human life is.

On top of this primordial communism, Graeber recognizes two harmful phenomenon. Debt peonage, caused by ever escalating interest on loans, reduces free citizens to slaves, prompting rebelling and escape from urban agricultural centers. Coinage, precious metal currency, is wealth stripped of all its context, anonymous money for strangers of little trust. Together, they lead to what Graeber describes as the 'military-slavery-coinage complex', the use of force to seize human beings, rip them away from their homes, set them to working mines and plantations, and turn them into coins to pay the army to continue the war. Combine the two, and you get the most rapacious form of modern capitalism: debt-laden soldiers trying to reduce everything around them to hard currency as fast as they can.

The philosophical and linguistic sections are if anything, better than the history and the anthropology. Almost all of our modern philosophies originate in questions about what money measures, what the universe is made of, and the paradox of ethical action and self-interest.

Graeber's arguments are more complex than what I've presented here. I'm sure that there are other interpretations to the history he has chosen. But he's asking The Big Questions, and one that cuts at the heart of our current crisis of faith.

BlackOxford says

Back to the Future of Credit

Despite its title this book is really a deconstruction of the idea of money. The economist's idea is that credit (loans, cash advances etc.) arises in a well-developed monetary or 'cash on the barrel head' society which in turn had been an improvement on the previous system of barter.

Not so says Graeber and rather convincingly: credit, or more precisely the ledger of who owes what to whom, is the most primitive form of commerce which is only supplemented by either barter or immediate monetary exchange when social conditions deteriorate sufficiently to make credit arrangements impossible. Wars, revolutions, and various social upheavals are what cause the demand for cash, that is, the immediate settlement of commercial transactions.

Cash only becomes king when there is no trust, either between parties to a transaction or in the stability of the social environment. Credit in a very practical sense is the fundamental invention and promoter of civilisation.

Graeber's thesis is in fact confirmed by recent technological developments like Bitcoin. Bitcoin is in its simplest terms 'merely' an unfalsifiable ledger of who has 'rights' in the community and how much, essentially what members of the community are worth to each other.

The Bitcoin ledger differs from bank accounts because (among other things) it cannot be interfered with either by criminals or governments. In other words the ledger can be trusted even when its members have no personal knowledge of each other. The social system is its own guarantor.

If only Immanuel Kant (not to mention Leibniz) were alive to see it! He spent his life trying to find a way to guarantee the integrity of life's accounts, in every sense of the word. Double-entry bookkeeping was a start but not enough to warrant complete trust. With modern technology it looks as if we might be able to create enough trust to return to the most efficient commercial system possible: pure credit. Without the need for banks or their regulators. Or for that matter, their scams and frauds.

Fascinating, provocative and stimulating. If you have an interest in uncovering the myths of economics and how those myths become part of what you then see in the world, this is a must read.

An Addendum

This article appeared in my feed today. It is yet further support for Graeber's position and the superiority of an unmediated credit economy: <https://www.commonwealmagazine.org/in...>

Nelson Zagalo says

Brilhante, incisivo e ao mesmo tempo angustiante. David Graeber é um antropólogo especializado em economia, o que lhe dá uma visão bastante distinta do comum economista, já que coloca lado a lado o

humano e as finanças, estudando em profundidade as suas implicações e dependências. O facto de ter sido professor em Yale e agora na London School of Economics, apenas possível pela qualidade do seu trabalho, garante sustentabilidade ao que afirma ao longo de todo este livro, mesmo quando se afirma como anarquista. Graeber foi um dos principais mentores do movimento Occupy Wall Street, nomeadamente da sua premissa de partida, "We are the 99 percent".

"Debt: The First 5,000 Years" é um trabalho de fundo sobre os papéis do dinheiro e poder na organização das sociedades humanas que explica o modo como toda a nossa civilização se sustenta em processos de dívida. Graeber dá conta dos primeiros registos escritos que dão conta dessas mesmas dívidas, algo que não me surpreendeu já que essa é uma percepção que fui construindo com a visita a vários museus arqueológicos, nos quais vi alguns dos primeiros registos em pequenas pedras, tendo percebido que na generalidade se tratavam de inventários, heranças ou sentenças judiciais de pagamentos de dívidas.

São vários os mitos desmontados por Graeber ao longo do livro, um dos mais gritantes, o da economia de troca, algo que existe no nosso imaginário como uma cultura existente anterior ao dinheiro, e que por isso mesmo vimos florescer nos anos recentes como tentativa de resposta aos efeitos da austeridade, mas que aqui ao longo de muitas páginas, dezenas de exemplos, e muita história vamos perceber como nunca tendo passado de mero desejo do nosso imaginário. Seria insustentável desenvolver a civilização até ao ponto de complexidade que chegámos, baseado numa economia desse género, já que a possibilidade de trocas entre indivíduos seria imensamente mais lenta e reduzida na ausência de um qualquer registo (dinheiro) que garante a troca entre todos e em qualquer momento.

Graeber começa o primeiro capítulo de forma brilhante tocando o âmago da discussão do momento, a crise das dívidas soberanas, explicando como se chegou a este ponto, como evoluiu a sociedade por meio de uma obsessão quantitativa suportada por um moralismo judicial, no qual o FMI é o píncaro global, o grande cobrador de dívidas. Nos vários capítulos que se sucedem vários momentos da história da evolução da civilização são apontados como basilares, nomeadamente processos de exploração, desde os Romanos à expansão colonial europeia, ao tráfico de escravos, tráfico sexual, etc.. Tudo processos de poder e domínio por via da dívida permanente entre partes, que serve de justificativa moral na exploração do mais fraco pelo mais forte.

"Why debt? What makes the concept so strangely powerful? Consumer debt is the life-blood of our economy. All modern nation-states are built on deficit spending. Debt has come to be the central issue of international politics. But nobody seems to know exactly what it is, or how to think about it. The very fact that we don't know what debt is, the very flexibility of the concept, is the basis of its power. If history shows anything, it is that there's no better way to justify relations founded on violence, to make such relations seem moral, than by reframing them in the language of debt — above all, because it immediately makes it seem like it's the victim who's doing something wrong." p.5-6

"It is the secret scandal of capitalism that at no point has it been organized primarily around free labor. The conquest of the Americas began with mass enslavement, then gradually settled into various forms of debt peonage, African slavery, and "indentured service"-that is, the use of contract labor, workers who had received cash in advance and were thus bound for five-, seven-, or ten-year terms to pay it back (..) This is a scandal (..) because it plays havoc with our most cherished assumptions about what capitalism really is particularly that, in its basic nature, capitalism has something to do with freedom." p.350

Concordando com muito, ou toda a forma como Graeber desconstrói e critica o desenvolvimento e estado da nossa civilização, o seu encanto esvai-se quando chega o momento de propor alternativas. Mas seria expectável que um homem só, num tempo de uma vida pudesse chegar a propor tal alternativa? Ou mesmo

recuando a Marx e ligando ao mais recente trabalho de Piketty? O que acaba por se imensamente mais angustiante é perceber que se estes que tiveram a capacidade de destrinçar a malha que nos encurrala, tal prisão invisível, não conseguiram ver como, que podemos então nós esperar? Existirá mesmo alternativa?

Acredito que sim, mas só num nível de consciência e autocontrolo muito superior ao que temos atualmente enquanto sociedade. O grande problema é que se somos profundamente gregários, cooperativos e colaborativos, não somos menos profundamente dependentes uns dos outros para sobreviver, daí que a dívida seja a base da civilização, porque ela é no fundo a base da classe mamífera, que ao contrário da dos répteis, não consegue sobreviver individualmente, apenas em grupo.

Também em: <http://virtual-illusion.blogspot.pt/2...>

Petr Havel says

This book led me to re-think some of the fundamental aspects I have always thought our modern society is based upon: the basis of the current monetary system, market economies, the illusion of barter markets and most fundamentally the way that debt is intertwined into the fabric of human interaction.

Overall this is pleasant read, as an overview of market and monetary history from an anthropological perspective. The book starts to lag in sections where the author tries to apply his own solutions to the problems at hand, although I agree that love and trust are a good basis for personal interaction and will always have to be present, I do not think that they alone are able to create a system that is capable of organizing the global society on it's current scale.

There are certain thoughts peppered throughout this book that the author does not do justice from my perspective and could have larger implications in long run:

means of annulling debt - the proposed global pardon on debt seems to be much too intrusive for any dynamic system, but the same objective could be achieved through the introduction of materialistic rules, that are globally applicable.

The inescapable fact the interest bearing loans have been almost fully divulged from the risk inherent in the financed projects and repayment is taken for granted(as if no risk was associated).

No solution whatsoever is proposed for the current divide in the real growth of productivity per person and stagnation of real world wages, this in turn results in the current upheaval we are experiencing where the top 10% get all the profits(see <http://www.businessinsider.com/here-a...>)
