

## Workers against Debt Slavery and Torture: An Ancient Tale with a Modern Moral

Written by George Caffentzis  
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The story of workers' debt occasionally becomes news in the U.S. when there is, as now, a rash of foreclosures and the eviction of families from their homes. The so-called "negative savings" rate of working people in this country, which is due to high levels of credit card debt, also is also now getting a lot of attention in the media. These problems in the past have often been presented as of passing concern. There is even a tendency to comically dismiss the issues posed by debt as simply arising from a game between "consumerist" workers who can't help but shop 'til they drop, and sly greedy lenders who love to rope them into tricky variable-rate mortgages or credit card accounts.

But workers' debt is no joke. Its tragic shadows have shaped history for millennia, since on the other side of debt have always been slavery and torture. This dark side is rarely directly confronted here, but now that it is being experienced sharply again in the U.S. by those facing foreclosure, we can better hear what people in South America, Africa and Asia have been saying about debt: It has been the way whole nations and peoples have been put into bondage and forced to accept the torture of neoliberal structural adjustment programs imposed on their countries by the World Bank, the International Monetary Fund (IMF) and the U.S. and European Union governments.

I will point out in this article the ancient history of the relation between the debt slavery and workers' struggle against it, with the hope that this story will draw a connection between the efforts of workers worldwide against debt bondage and the hopefully intensifying struggle against the devastating consequences of debt for workers in 21st century U.S.

ORIGIN OF DEBT SLAVERY: THE DISINTEGRATION OF THE COMMON

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Any one of us who traces his/her genealogy back far enough will find ancestors living on the land in a communal fashion. In such societies wealth was a common possession and the distinction between “borrowing” and “owning,” between “sharing” and “lending,” between “gift” and “commodity,” or in the old English, “mine” and “thine,” was blurred. But with the conversion of communal land into “private property” and the rise of a money economy, debt became possible since my wealth that you borrowed is due back to me (plus interest), and the consequences of defaulting on debt were terrorizing.

My father (born in 1893) grew up in a disintegrating communal peasant world in Greece, and he spoke with terror about debt. He continually lectured me about avoiding debt or paying it back as quickly as possible, if I was forced to go into debt. For him the great terror of debt was the loss of the family land. But in ancient times, in Greece and Rome (and in many other places up until today), defaulting on debt would mean enslavement and/or torture. We sometimes use the phrase, “He wants his pound of flesh,” in a metaphorical way. But it was not a metaphor, for example, in ancient Rome where the creditor had the right to literally cut a selected part of defaulting debtor’s body as some sort of compensation for his loss (creditors and debtors at that time were mostly men). In most cases, the creditor confiscated the defaulter’s land and enslaved him, i.e., literally took away his life.

But why was there so much cruelty in punishing a “consenting,” non-violent act? After all, cases of default reveal the fact that the creditor wrongly chose to lend his money to a particular person, just as the debtor underestimated the odds of being unable to repay. Were these cruel punishments due to the belief that the debt default is a sort of theft, for the creditor lost not only money, but also an alternative future that another use of his money would have created? No, since the creditor voluntarily lent his money, he simply exercised bad judgment in lending it to someone who could not repay later. In this light, it is the creditor, if anyone, who should logically suffer when a debtor defaults.

My answer to the cruelty question is that the violence and terror used on defaulting debtors was meant to stop them and their fellows from believing that what they have received was either a gift or out of a common communal “pot” that was, in a sense, partly theirs. The violence was not directed to training “forgetful animals” to be “trust-worthy, contractual beings,” as the philosopher Friedrich Nietzsche once claimed. Rather, it was meant to break down the communal bonds and traditional morality that prevailed before the assault and domination of private property and the monetary nexus. This older concept of community dictated that a fellow person in need deserved to be helped by those who could help.

This violence and terror never completely succeeded in making people forget the life before

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private property and money, however. After the invention of coinage in the seventh century B.C. in Lydia (a region in what is now Turkey), coins quickly became the dominant vehicle of exchange in Greece, dissolving communal ties and leading to a massive debt enslavement of debtor citizens by creditor citizens. Almost immediately after the spread of coinage, the first class wars in ancient Greece broke out between debtors and creditors. Their key issue was: Is it right to enslave, say, a fellow Athenian for debt? The violence of the punishment for debt default was both the means and the symbol for the breakdown of social solidarity and the disintegration of the commons. However, as more and more Athenian citizens found themselves enslaved by their fellow Athenians for debt default, they launched one bloody civil war and insurrection after another to free themselves from debt bondage. After all, from the debtor's point of view, he was simply using the wealth of the society he helped create and he evoked the communal traditions to justify, if not his default, his right to remain a citizen (hence unenslaved) even in times of hardship. He might even be willing to accept his own enslavement, if it were done by a conquering army of foreigners, but not by fellow citizens.

These bitter class wars nearly destroyed Athens and many other cities from the inside. The so-called "democratic" factions that sprang up in most Greek cities had the cancellation of debts as their primary objective. These wars only ended in Athens when the "law giver" Solon (640-559 B.C.) negotiated with the creditor class a prohibition on debt enslavement, using the threat of civic breakdown as his stick. The revival of civic solidarity that resulted made it possible for Athens to successfully fight the Persian Wars and, ironically, to become an imperial power itself in the fifth century B.C.

Two deep lessons were learned by all sides from these civil wars. First, the violence of creditors had to be tamed for their own good, because in the cruel defense of their "mine-versus-thine" principles, the creditor class threatens the social bonds it depends upon to accumulate wealth. Second, debtors still remember (and expect) in their bones another form of life without debt, where sharing and the gift are the dominant exchange relations in social life.

### DEBT IN THE U.S. AND THE WORLD

These "lessons," however deep, never get completely learned. Creditors' tendency to cruelty pushes against the debtors' persistent memory and expectation of a debtless communal society and shapes history down to the founding of the U.S. The first major rebellion in U.S. history after independence, Shay's Rebellion in 1786, was against foreclosures and debt imprisonment. The great post-Civil War struggles against foreclosures of small farmers in the Midwest and South were moments of insurrection against the rule of the creditors' logic. During the Great Depression, urban workers and rural farmers banded together to block evictions from home and

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foreclosures of farms. Workers also organized their own credit and mutual aid associations to create alternative ways to borrow and lend without the threat of slavery and torture. Finally, these workers' insurrections and alternatives forced the federal government into passing "personal bankruptcy" laws that would limit the "pound of flesh" some capitalist creditors were and still are demanding for debt default.

These limitations are never finally fixed. Whenever the creditor (now capitalist) class is feeling especially powerful, the instinct of cruelty comes out. The people of the so-called post-colonial world have suffered most clearly from the debt bondage and debt torture applied to their national economies since the so-called "Debt Crisis" of the early 1980s (which has been translated down to the bondage and torture of countless individuals in South America, Africa and Asia). The impoverishment and desperation created by the structural adjustment policies that were imposed on these nations as a consequence of their indebtedness have generated many "fourth world wars," thereby globalizing the debtors' struggle into a planetary civil war whose outcome is far from certain.

U.S. workers have, until recently, been given some grace from the creditors' war of terror. Perhaps that is why we have not been very vocal in protesting the destruction of the livelihoods of billions of people in Africa, South America and Asia during the last twenty-five years due to debt (with the exception of that small moment in Seattle in 1999). But that moment of grace is ending. The increasing restrictions on and penalties for personal bankruptcy, the rise in interest rates and the corresponding rise in foreclosures, and the increasing drumbeat of official anxiety over the "savings rate," are signs that the power to tame the creditors generated by the period of struggles from the Depression to the Black Revolution of the 1960s is flagging. Neoliberalism – the dominant economic doctrine in the U.S. that says all social goods have to be the products of the market or they are not good – requires a regime that revives the harsh penalties for default.

Are U.S. workers and their unions ready to stop the return of creditors' cruelty here in the U.S.? If so, this is the modern moral of this ancient tale: We will have to learn from those who have suffered the creditors' cruelty most intensely and who are coming to this country as workers exactly because of it. □

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