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Of the Philosophy of Debt: In Search of the Relationship Between Debts and Duties

Introduction

Philosophers have addressed debt in a multiplicity of ways. By investigating the psychology of the debtor-creditor relationship (Deleuze, 1983; Deleuze & Guattari, 1983; Foucault, Foucault, Sheridan, & Mottram, 1977; Lazzarato, 2012; Marx, 1976a, 1976b; Friedrich Nietzsche, 1998),¹ by treating debt as a moral category and again by discussing its political impact on international relations (Hume & Haakonssen, 1994; Kant, 2002, 2006; Montesquieu et al., 2002), debt has been explored as a multifaceted phenomenon. Moreover, the bond between debt and morality is a historically powerful one (Graeber, 2011): from cyclical debt crisis in the ancient world, to contemporary sovereign debt crisis, debt has influenced ideas of solidarity, freedom, justice, and more generally the language of debt has framed the debate of what humans *owe one another* (Finley, 1964; Hudson, 1993; Hudson & Goodhart, 2018; Hudson & Van de Mieroop, 2002).

However, the idea of *debt* as such has not yet been the subject of any truly systematic moral and political thought but rather, it has been treated by most of the authors in a rather marginal way,² with perhaps one exception, that is Nietzsche's *Second Treatise of On the Genealogy of Morality* (henceforth on referred to as GM II, 1998 [1887]). This paper engages with the latter essay at length, particularly by focusing on Nietzsche's powerful critique of *debt repayment*, whose analysis should be regarded as highly valuable to any work that intends to challenge the principle of debt-repayment as a moral ought, and to bring forward the complexity of the creditor-debtor relationship. Crucially, the Nietzschean critique will be discussed in contrast to Kant's treatment of the *promise* of debt repayment as a "categorical imperative" in his *Groundwork for the Metaphysics of Morals* (2002) [1785]. The contrast between Kant's and Nietzsche's

¹ On *The Philosophy of Money and Finance* (de Bruin, 2018).

² See the work of Douglas (2015) as a first attempt to systematize debt from a philosophical perspective.

discussions on debt and morality is particularly illuminating³ as it sheds light into some of the core theoretical questions that will be posed in the following sections such as the relation between debts and promises and more largely the tensions between political, moral and financial obligations.

Moral Duties as Debts: Kant versus Nietzsche

In spite of the different philosophical accounts of debt, a constant element runs throughout the debt literature as an uninterrupted thread, namely that debt repayment is conceived as a fundamental obligation, one that the debtor cannot and should not circumvent without costs. Indeed, the act of non-repayment does not only mark the transgression of a contract, which is punishable by law, but also and foremost the betrayal of a promise, which is something morally wrong (Kant, 2002, p. 39). In this reading, the inability of giving back what is owed necessarily entails a slip down the moral ladder.

And yet, not only is debt repayment considered as a moral duty—which is still a contentious point to prove—but also the seed of a far more powerful idea lingers throughout the debt-literature, namely that all moral duties are fundamentally conceived as monetary debts. This leads me to the central philosophical questions of my paper, that are:

What does it mean to think of moral duties as monetary debts?

Is it desirable to think of moral duties as monetary debts?

Elaborating on such questions and their possible interpretations, the following positions are possible:

(A1) *Moral duties boil down to monetary debts.* This position tracks the intuition that both debts and moral obligations amount to an ‘I owe you’ type of relation between two or more agents (Graeber, 2001, 2011). Morality would amount to a system of repayment of one’s debts relying on the principle of ‘restitution’ as ‘quantified repayment’, which makes monetary debt repayment a moral ought (A1.1). Another specification of this position tells us that not only do moral duties equate to mon-

³ Note that some commentators have depicted Nietzsche’s GMII as a critical re-writing of Kant’s *Critique of Pure Reason* (Kant, Guyer, & Wood, 1999): for this reading, see (Deleuze, 1983, pp. 88-93). Whether the latter hypothesis is plausible or not, Nietzsche’s text openly invokes and refers to Kant in polemic tones (F. W. Nietzsche, Clark, & Swensen, 1998, p. 41).

etary debts, but most fundamentally, the contractual relation between the creditor and the debtor is foundational of and antecedent to moral relations, so to say that material relations of exchange produce moral relations (A.1.2). But this will be largely explained when tackling Nietzsche's materialistic view on debt (F. W. Nietzsche et al., 1998).

And again (A) *What does it mean to think of moral duties as monetary debts?* A second position is also possible, namely that:

(A2) *Moral duties are distinct from monetary debts* but nevertheless monetary debts are a powerful *representation* of moral duties and their functioning. What follows from this, is rather that debt repayment is only a *metaphor* to describe duties of various kinds—for instance, I may be indebted to someone in the sense of owing her something, perhaps as the result of having promised something, but moral obligations should, if necessary, go beyond the mere logic of repayment, as according to this view morality should not amount to a mere system of commercial transactions as the logic of debt repayment demands in (A1).

Let us go back to the first position for a moment and make the hypothesis that morality substantially has to do with the idea of debt repayment (A1)—what would then be the implications of such a *contractual* and *financial* understanding of morality in general? In short: (B) *Is it reasonable or even desirable to think of moral duties as monetary debts?*

This paper explores these main questions by launching into an original reading of Friedrich Nietzsche's account of debt-morality as formulated in his still less examined GMII (F. W. Nietzsche et al., 1998). This text will be discussed in connection to a critical analysis of Kant's position on debt as distilled from some of Kant's most crucial moral and political writings. Whereas Kant seems to treat debt repayment as a moral ought (A1.1), assuming the latter position Nietzsche more extensively considers moral duties as debts (A1.2) hence establishing a close connection between moral obligations and financial debts. Nevertheless, the two authors support very different accounts of debt,⁴ leading to distinct conclusions.⁵

⁴ Firstly, Kant's account of debt is prescriptive while Nietzsche's genealogy is mainly written as a critique of morality and his intentions are not normative. Moreover, as Risse puts it, for Kantian ethics what 'one ought to do' does not rely on the historical or physiological background of morality (Leiter & Rosen, 2007; Leiter & Sinhababu, 2009) whereas Nietzsche relies on a naturalistic understanding of morality (Korsgaard, 1996; F. W. Nietzsche et al., 1998); Secondly, Kant discusses mainly external sovereign debts while Nietzsche describes the creditor and debtor relationship from an interpersonal perspective and discusses debt in both its monetary and non-monetary dimensions.

⁵ Kant declares in his article four of *Perpetual Peace* that states shall not incur into foreign debts while Nietzsche rejects the entire moral system on the ground of his critique of debt in its external and its internalized forms.

Firstly, I will delineate Kant's position on debt and bring forward its internal ambiguities. Only then, will I discuss Nietzsche's debt critique, and ultimately reject Nietzsche's conclusions.⁶

Why is Debt-Repayment Central to Morality? The Kantian Account and Its Internal Ambiguities

One finds Kant's positions on debt scattered throughout his moral and political writings.⁷ Reference to debt is to be found in some of the key passages of Kant's theoretical works, where debt, for instance, sheds light onto central Kantian concepts such as the categorical imperative (Kant's moral account of debt), and forms the constitutive issue of fundamental articles in his political writings (Kant's political account of debt).

Nevertheless, debt is treated in a rather unsystematic way, thus making Kant's rationale on debt neither clear, nor complete and certainly subject to numerous interpretations. Surely, there is plenty of literature on Kant's categorical imperative and so there are (a few) texts that look at Kant's position on public debt in his political writings (Hont, 2010, pp. 87, 88, 351), and yet scholars have not devoted much attention to Kant's moral reading of debt repayment as associated to the categorical imperative.

Kant conceives of debt repayment as a paradigmatic example of a moral duty. In his moral writings, debt precisely emerges in connection to the notion of the categorical imperative, and debt repayment is also regarded as a moral ought in some passages of his later political writings, see for instance *Toward Perpetual Peace*, in Kant (2006).

A first point of contention with regard to our initial question (A) emerges already in the moral account of debt, in that Kant's formulation is ambiguous as to whether it is debt repayment *as such* that qualifies as a categorical imperative (A1) or if the expression of 'repaying one's debts'

⁶ By doing this, this work lays the ground for developing an alternative view on the morality of debt that goes beyond Nietzsche.

⁷ Passages examined in this section: for a moral argument on debt repayment, see the *Groundwork for the Metaphysics of Morals*, [1785] (Kant, 2002, p. 39); for a mixture of moral and prudential arguments on debt repayment, see *Towards Perpetual Peace: A Philosophical Sketch*, [1795] (Kant, 2006, p. article 4; 69) and *On the Common Saying: This May Be True in Theory, but It Does Not Hold in Practice* [1793] (Ibid, 64); when prudence and self-interest coexist with morality, see *The Idea for a Universal History From a Cosmopolitan Perspective* [1784] (Kant, 2006, pp. 3-17); for a discussion on Kant's view on the French Revolution and the failing to declare voluntary bankruptcy by the French King, see *The Metaphysics of Morals* [1797] (I. Kant & M. Gregor, 1996), 'The Doctrine of Right', Part II 'Public Right', in Kant's *Practical Philosophy*, (I. Kant & M. J. Gregor, 1996, p. 481). For a context, see chapter 49 where Kant discusses the issues of sovereignty, revolution, abdication, and the execution of Louis XVI (Ibid, 460-464).

only *represents* more substantial tenets of morality (A2) such as the act of making promises that one should honor—but debts and duties are distinct categories. Following this line, I will show how a particular passage in Kant’s *Groundwork for the Metaphysics of Morals* (Kant, 2002) could be subjected to both interpretations.

I will proceed here by discussing the latter Kantian ambiguity and then see if the moral position on Debt is consistent or not with his position on *Sovereign Debt* as found in his political writings. In order to do so, I will raise the following question:

Does debt repayment really qualify as a categorical imperative? In the second section of the *Groundwork*, Kant enumerates four kinds of duties, “in accordance with their usual division into duties toward ourselves and toward other human beings, and into perfect and imperfect duties” (Kant, 2002, p. 38), in order to show what kind of acts qualify as the breaking of the categorical imperative. In this way, the act of ‘borrowing money’, which produces a correspondent duty to repay what has been borrowed, figures in ‘the duties toward other human beings’ as the paradigmatic one, hence Kant’s description of the failure of repayment as an example of the breaking of the categorical imperative:

Another sees himself pressured by distress into *borrowing money*. He knows very well that he will not be able to pay, but he also sees that nothing will be lent him if he does not *firmly promise* to pay at a determinate time. He wants to make such a promise; yet he has conscience enough to ask himself: “Is it not impermissible and contrary to duty to get out of distress in such a way?” (...) his maxim will be as follows: ‘If I do believe myself to be in pecuniary distress, then I will borrow money and promise to pay it back, although I know this will never happen’ (...) yet the question now is: “*is it right?*” (...). (Ibid, p. 39 [emphasis added]) [Text 1]

Kant’s answer is a reasonable one, namely that it is not right to incur into debt by knowing of the impossibility of its repayment. A first interpretation of this passage could be then: non-repaying one’s debts is a moral wrong hence debt repayment is a moral ought (A1.1). However, a closer look at the text should make the reader think harder as to what qualifies *exactly* as the breaking of the categorical imperative: what constitutes a *moral wrong* in this passage and hence what is contrary to duty according to Kant’s formulation?

1. *Incurring into debts is wrong in the first place, the condition of monetary indebtedness is wrong* (Hypothesis 1)

Or

2. *The inability of repaying one's debts,⁸ is a moral wrong* (Hypothesis 2)

Or rather

3. *The making of a false promise is morally wrong* (Hypothesis 3)

According to my reading, the third option outlined above (Hypothesis 3) seems to provide perhaps the most accurate interpretation of Kant's lines [see Text 1]. Indeed, Kant's rationale in this passage indicates that monetary debt is essentially a metaphor for a *promise*, and that promises must be contracted with at least the intention of sticking to them and eventually to fulfil them. It is the act of *lying* thus to be wrong, the simple fact that "everyone who believes himself to be in distress could promise whatever occurred to him *with the intention of not keeping it*" (Ibid, p. 39).

In this way, the moral wrong does not lie in the breaking of the principle of debt repayment *per se*, but in the *making of a false promise*. Monetary debt repayment can still be understood as a feature of morality, but in that it is a powerful metaphor to grasp the inner workings of promises and their correspondent obligations and not because debt repayment is necessarily a categorical imperative *per se*. This passage of Kant does not necessarily entail that monetary debt repayment is what morality is ultimately about, that is a commercial transaction based on the principle of exchange.

Such a reading of the separation between the spheres of morality and debt finds its confirmation later in the *Groundwork* with Kant's account of morality as *inner worth* and *dignity* which is distinct to morality as a system of equivalences, exchange and *market prices* (A 3). Or, to put it in Kant's own words:

In the realm of ends everything has a *price* or a *dignity*. What has a price is such that something else can be put in its place as its *equivalent*; by contrast that which is elevated above all price, and admits of no equivalent, has a dignity. That which refers to universal human inclinations and needs has a *market price*; (...) but that which constitutes the condition under which alone something can be an end in itself does not have merely a relative worth, e.g., a price, but rather an inner worth, e.g., *dignity*. (...) Thus morality and humanity, insofar as it is capable of morality, is that alone which has dignity. Skill and industry in labour have a market price; wit, lively imagination, and moods have an affective price; by contrast, *fidelity in promising*, benevolence from principle (not from instinct) have an inner worth. (Ibid, 52-53) [Text 2]

⁸ For a discussion on the connection between contracts and promises see, for instance, Charles Fried's *Contract as Promise: A Theory of Contractual Obligations* (Fried, 2015), and Seana Shiffrin's *The Divergence of Contract and Promise* (Shiffrin, 2007).

This passage is important with respect to our initial question (A) as Kant's position stands out more clearly: morality is not about equivalences nor market prices—fulfilling a moral duty does not mean ‘paying’ the equivalent of what is owed—but rather it is about *fidelity in promising* and dignity which should be elevated above all price and admit of no equivalent (A2).

Kant's moral position on debt does not exclude the possibility that, if the debtor's intention—when entering the debt contract—was sincere and thus the debt promise was *genuine*, in the eventuality of the impossibility of repayment—under justified conditions—the debtor would *not* be morally guilty of non-repayment. What are the normative implications of such moral reading of debt? Is this moral view on debt reflected in Kant's political normative writings?

I maintain here that in his political writings [1784, 1793, 1795, 1797],⁹ where debt is elevated from an interpersonal dimension to the level of the Sovereign State—and discussed as a crucial issue of international politics—one finds no trace of our moral hypothesis (3) in relation to ‘sovereign debts’.¹⁰ Kant derives his prescriptive political positions on debt from the moral claim that *debt repayment as such* is a categorical imperative and thus *non-repayment as such* is a moral wrong (A1.1).

This is reflected in Kant's ‘Article Four’ in *Toward Perpetual Peace* which denounces public debts incurred for financing external wars and the inevitable state bankruptcy that derives from the impossibility to repay such debts as “a public wrong (...) that dangerously blocks the trajectory toward perpetual peace” (Kant, 2006, pp. 69-70). Hence Kant's fourth preliminary article for perpetual peace among states, which prohibits any state to contract debts in connection with its foreign affairs (in order to finance war).¹¹ The author's rationale points to the fact that since debt repayment is a moral duty, and since repayment in the case of public debt is particularly difficult to achieve, then better not to incur into public debt in the first place (hypothesis 1):

(...) as an instrument in the struggle of state powers with one another, the credit system, the ingenious invention of a commercially active people, in this

⁹ In *Toward Perpetual Peace and Other Writings on Politics, Peace, and History* (Kant, 2006).

¹⁰ Kant's moral position on debt in his political writings is inconsistent with his moral position on debt in the *Groundwork* (3), but rather it is consistent with interpretation 1, 2 that we had rejected on the ground of Kant's definition of morality as dignity, inner worth and fidelity in promising.

¹¹ Kant says that “4. The state shall not contract debts in connection with its foreign affairs” (Kant, 2006, p. 69). Whereas Kant offers a negative tale of debts of war, those debts incurred for the benefit of the nation seem to be instead justifiably incurred (Ibid).

century, represents a dangerous monetary power (...) for (...) these debts can grow without limit” (Ibid, 69).

As debts grow without limits they become “a great hindrance to perpetual peace”, and such impediment “ought therefore to be prohibited... since the ultimately unavoidable bankruptcy of one state would necessarily involve other states in the loss, though at no fault of their own, which would thus cause them public *injury*” (Ibid, 70). In this way, concludes Kant, “other states are therefore *justified* in allying themselves against such a state and its presumptuous behaviour” (Ibid).¹²

Reconstructing the rationale that underlines these passages, Kant narates that since sovereign debts are impossible to be discharged, and assumed that it is wrong not to repay one’s debts as promises must be kept (hypothesis 2), then no state shall incur into external sovereign debts altogether, or the failure to repay such debts would justify other states to form alliances against the debtor state.

Beside the moral views on the international debt regime, Kant uses mainly prudential arguments against ‘indebtedness’ in his political writings, for instance, by criticizing the hardship of debt repayment on the debtor’s populations. And yet in such hardship Kant finds no fundamental wrong nor injustice—Kant’s argument against debt are endorsed from a public utility point of view and not a justice one. Following this line, debt is used as an instrumental argument against war, in that war will inevitably lead to the “ever growing burden of debt (a new invention), the repayment of which becomes immeasurable” (In *The Idea for a Universal History*, Kant 2006, 14). Here Debt is described as “a *malady* (...) that embitters the peace and will never be repaid (due to the imminent and constantly impending wars)” (Ibid). And it is precisely because of debt as a malady of war that, if a people were to decide itself whether to go to war or not, it would definitely choose not to. “Thus fatigue”, Kant concludes, “must ultimately do what good will should have done but did not” (in *On the Common Saying* (Kant, 2006, p. 64)), meaning that when self-interest coexists with morality it should nevertheless lead to the same moral goals, which in this case are the ending of a public debts regime and of war through the rise of republican governments. In this way, Debt repayment is used as an instrumental argument against war as much as an argument to defend the

¹² Kant’s reasoning is not so linear as a patriotic bankruptcy would be acceptable for the sake of national self-preservation (Hont, 2010). Kant follows Hume’s argument of the natural death of public credit which was also discussed all over Europe at the time with explicit reference to Hume. Both Kant and Hume argue that in a state of emergency, “the property rights of the capitalists should be overridden” (Hont, 2010, p. 88). Yet this is a case in which *justice* (as debt repayment) should be suspended and give place to *public utility*.

rise of a republican type of government. Crucially, Kant criticizes Louis XVI for having failed to take the route of voluntary bankruptcy in the late 1780s (which he saw as the proximate cause of the Revolution)¹³ and “fervently hoped that the French revolutionary governments would bravely do precisely what the monarchy dismally failed to carry out and declare a patriotic bankruptcy ...” (Hont, 2010, p. 87). Yet, as Hont reminds us ‘patriotic bankruptcy’ was only justified by Kant as an “application of the politics of necessity and national self-preservation” (Ibid: 88) over the principles of justice (preserving the property rights of the capitalists) whereas a revolution by the people in order to oppose debt repayment would still not be justified by Kant as it would go against public right:

It was thus a great error of judgement on the part of a certain powerful ruler [King Louis XVI] in our times when he tried to relieve himself of the embarrassment of large national debts by leaving it to the people to assume and distribute this burden at their own discretion. It was thus natural that the people should acquire legislative powers not only in matters of taxation but also in matters of government for they had to ensure that the government would incur no new debts by extravagance or by war. The Monarch’s ruling authority thus disappeared completely; for it was not merely suspended but actually passed over to the people, to whose will the property of every subject was now submitted. (I. Kant & M. J. Gregor, 1996, p. 481)

Far from fusing political prudence with morality, Kant’s article four of perpetual peace applies both inconsistently (with respect to his position in the metaphysics of morals as interpreted in hypothesis 3) and partially (Kant does not consider when debt repayment is not justified) the principle of debt repayment to international politics.

Kant might be critical of indebtedness but never truly disputes the basic principle of debt repayment, nor does he even contemplate whether there could be just conditions under which debt repayment should be rightly dismissed altogether—and thus the debt forgiven—or whether moral responsibility lies on the creditor side rather than, or as well as, on the debtor’s.

I thus reject here Kant’s final prescription of prohibiting international credit as it is the result of a partial and arbitrary application of the principle of debt repayment in the dimension of international affairs, which was not so categorical in Kant’s moral account of debt and which could be subject to different interpretations (hypothesis 1, 2, 3). Ultimately, even though Kant can be praised for having introduced the discourse on ‘sovereign-debt’ and ‘foreign-debt’ in relation to fundamental issues

¹³ Sonenscher (1997).

of ‘self-determination’ and ‘cosmopolitan peace’, Kant’s position can be blamed overall for its lack of a moral critique against the principle of debt repayment—a just principle to Kant—and its implications—as far as they are brutal and inhuman on the debtor’s populations, they too are justified—which leads him to substantially take the side of the creditors, while shifting the moral blame exclusively to the debtor’s and their inability to repay. In doing so, Kant must have assumed debt to be a neutral transaction between equal parties, thus missing the power imbalances that constitute the relationship between creditor and debtor.

However, as Nietzsche superbly shows in his own account of debt, such relation is far from neutral but rather one based on strong dynamics of power and domination. Let us now introduce Nietzsche’s GMII, which offers an illuminating critique of the principle of debt repayment and its implications on morality and let us pose again our initial question: (A) What does it mean to think of moral duties as debts?

Nietzsche: the Creditor-Debtor Relationship as the Material Archetype of Morality

While Kant assumed debts to be moral duties that must be *categorically* repaid (A.1.1) or else not being contracted altogether, Nietzsche—in his GMII¹⁴—declares that Kant’s “categorical imperative smells of cruelty ...” (Friedrich Nietzsche, 1998, p. 41).

This section focuses on Nietzsche’s critique of *the morality of debt repayment*, which is represented in the genealogy as the cruellest of human businesses. I will show that Nietzsche reckons that *moral duties boil down to material debts* (A1.2) both historically and ontologically. Indeed, Nietzsche claims that the most fundamental moral obligations—such as the fidelity in promising and the principles of guilt and bad conscience—are being historically and *materially* forged by the creditor-debtor relationship, which is the oldest of human relations: “have these previous genealogists of morality even remotely dreamt, for example, that the central moral concept ‘guilt’ had its origins in the very material concept ‘debt’?” (Ibid, p. 39, lines 17-19). More in general, Nietzsche understands monetary duties as the archetype of moral duties thus connecting morality to its more materialistic origins while rejecting its purely abstract and ahistorical interpretations—the essence of morality lies in the creditor-debtor relationship.

¹⁴ For a helpful discussion of Nietzsche’s ambivalent relationship to Kant see the introduction of Ridley in Friedrich Nietzsche (2005).

I develop a *materialistic* reading of Nietzsche's GMII based on the idea that it is *via* the critique of monetary debt and its annexed principle of repayment that Nietzsche develops his wider critique against morality and the moral principles of *guilt* and *bad conscience*. Contrary to what some advance, I claim that 'contractual debts' are not merely introduced as a casual pretext in Nietzsche's argument, but are essential to the author's understanding of the development of human obligations and the production of moral duties. This section thus offers an original reading of Nietzsche's GMII from a materialistic perspective, which differs both from the more classical readings of this essay given by commentators such as Clark (1998), Leiter (2007), Risse (2001, 2009) and Schacht (1994), but also from the more recent economic readings of this text by authors such as Lazzarato (2012), Graeber (2011), Deleuze and Guattari (1983). It is also worth stressing out that, unlike GMI and GMIII, GMII has not received much critical attention (F. W. Nietzsche et al., 1998; Risse, 2001, p. 55). Most of the classical existing commentaries of GMII are focused on the notions of 'guilt,' 'cruelty' and 'punishment' with reference to Christianity. Consequently, it is the idea of 'metaphysical debt,' understood mainly as 'indebtedness towards gods' and the notion of 'existential guilt', rather than material debt, that has been used as the relevant interpretive key to this text as it is directly connected to the idea of 'bad conscience' of which Nietzsche intends to draw a genealogy (See (Friedrich Nietzsche, 2005; F. W. Nietzsche et al., 1998; Risse, 2001)). On the other hand, a recent wave of economic readings of GMII highlights the importance of the creditor-debtor relationship intended as a contractual relation of exchange between two parties. Lazzarato, for instance, gives a Nietzschean reading of the current debt economy, where the latter initiates processes of 'subjectivation' of the indebted man who is identified, in turn, with the main character of contemporary capitalism, where the neoliberal space is populated by various indebted subjects, ranging from the indebted consumer to the indebted citizen (2012). In the *Anti-Oedipus*, Deleuze and Guattari (1983) also give an economic reading of GMII, interpreted as a modern ethnology of primitive economy where the economy of debt precedes the economy of exchange.

However, the point to Nietzsche is not whether *debt* comes before *exchange*, but rather the question is how the creditor-debtor relation produces a system of obligations that is prior to morality and that culminates in the moral principles of guilt and bad conscience whose essence lies in the creditor-debtor contractual relationship. And yet, in the texts considered above, no connection is made explicit as to how this material-monetary idea of indebtedness informs the less materialistic spheres of moral duties, whereas I believe that a reading of GMII that brings forward the link between *the monetary* and *the moral* is not only more faithful to Ni-

etzsche's essay but also helps posing deeper philosophical issues on the relationship between the spheres of exchange and that of morality and their implications (A).¹⁵

Going back to Nietzsche's fundamental position that *duties are monetary debts* (A1), this rests in turn on a deeper anthropological assumption on human nature, according to which the latter is about the economy of *exchange*, the practice of *bartering*, of *calculating*, and the making of *equivalences*. What is important for this reading is that Nietzsche brings the anthropological assumption of man as a calculative animal into the moral dimension, describing morality as an affair of exchange, guided by the principle of repayment.

At this point, let me pose again our philosophical question (B):

Is Nietzsche's reading of duties as debts desirable (B)? It is precisely the equation of morality to monetary debts (duties that must be repaid) that leads Nietzsche—through his critique of debt—to his final rejection of all morality. In this way, rather than rejecting the principle of debt repayment or the premise that morality is a form of exchange, Nietzsche opts for *a rejection of morality in toto*.

Human Duties Begin with Debts

Part I of GMII is concerned with the general question of how duties originate, or *how do we come to owe others*. Nietzsche argues that the contractual relation between the creditor and the debtor is the archetype of moral relations, in that debt repayment is the earliest prototype of a human duty (A1 *duties boil down to debts*), which is nevertheless not yet fully moral at this stage. Nietzsche conceives of monetary debt as a "pre-moral notion of owing" (F. W. Nietzsche et al., 1998, p. xxxi). Indeed, Nietzsche tells the reader that it is precisely "In *this* sphere, in contract law that is, the moral conceptual world 'guilt,' 'conscience,' 'duty,' 'sacredness of duty' has its genesis" (Ibid, p. 41), as "precisely here there are *promises* made; precisely here it is a matter of *making* a memory for the one who promises; precisely here, one may suspect, will be a place where one finds things that are hard, cruel, embarrassing" (Ibid, p. 40, lines 14-15). In this way—and unlike what we have seen in Kant—debt in Nietzsche is not merely used as a symbolic *representation* of a promise, but rather the state of material indebtedness is

¹⁵ In his work on Debt, Graeber (2011) is perhaps the first author that highlights the importance of such connection, yet his attitude towards Nietzsche is rather dismissive as he mainly emphasises the inaccuracy of Nietzsche's historical account of debt and attacks Nietzsche's bourgeois premise on human nature as being anchored in exchange.

the actual place where a human being capable of making and fulfilling promises is forged.

Before looking at the passage from pre-moral to fully morally constituted duties, let us better understand the assumptions that Nietzsche works with in his building of a genealogy of morality. In claiming that human obligations originate from monetary debt, Nietzsche must be assuming that any system of obligation is about *calculating, weighting, exchanging, giving and receiving* or in Nietzschean terms that morality, and hence the art of producing a man capable of honoring its debts, consists above all in ‘the training of a calculating animal’. Following this line of reasoning, Nietzsche describes at length *justice*, for example, as a system of equivalences where to every *wrong* committed corresponds a specific *retribution*—which can be delivered, for instance, in the form of a specific good as much as in that of a specific punishment: “Every injury [wrong] has its *equivalent* in something and can really be *paid off*, even if only through the pain of its agent” (Ibid, p. 40, 1-2). What is important is that as long as there is such retribution, the balance of justice stays even. But where does this idea of equivalence between injury and pain, wrong and punishment originate? The response is of course “in the contractual relationship between *creditor* and *debtor* which is as old as the existence of ‘legal subjects’ and in turn points back to the basic forms of purchase, sale, exchange, trade, and commerce” (Ibid, p. 40, lines 4-8).

And yet, how is the debtor educated in fulfilling his promises, in repaying its debts, in becoming a calculative and *dutiful* subject? The dutiful debtor is produced by means of an *apparatus of cruelty and punishment*, which gets activated against the debtor in case of his failure to repay monetary debts. Such apparatus works by creating a memory of punishment over the undutiful debtor, that deprive him of the full control over his body and possessions:

In order to instil trust in his promise of repayment, to provide a guarantee for the seriousness and sacredness of his promise, to impress repayment on his conscience as a duty, as an obligation, the debtor—by virtue of a contract—pledges to the creditor in the case of non-repayment something else that he ‘possesses,’ over which he still has power, for example his body or his wife or his freedom or even his life (...) Above all, however, the creditor could subject the body of the debtor to all manner of ignominy and torture, for example cutting as much from it as appeared commensurate to the magnitude of the debt (...) (Ibid, p. 40, lines 15-31)

Even if Nietzsche’s description of debt and the origins of morality was

only a historical fantasy,¹⁶ the logical point that is made would still be strong that is, if debt repayment is taken as foundational of moral obligations, then morality must have come into the world at a terrible price. The ultimate purpose of Nietzsche is to denounce the cruelty deriving from a system of obligations based on mere *calculus* and on the crude principle of repayment.

As Nietzsche explains it, the system of punishment that develops in response to the failure of debt repayment, and which will produce a man capable of honouring his promises, hence a moral man, functions in turn as a symbolic method of repayment—through pain—which is the fair equivalent to the monetary *form* of debt repayment. As Nietzsche illustrates, “the equivalence” from the creditor’s perspective “consists in this”:

That in place of an advantage that directly makes good for the injury (hence in place of a compensation in money, land, possession of any kind) the creditor is granted a certain *feeling of satisfaction* as repayment and compensation—the feeling of satisfaction that comes from being permitted to vent his power without a second thought on one who is powerless, the carnal delight ‘*de le faire mal pour le plaisir de le faire,*’ the enjoyment of doing violence (...). (Ibid, p. 41, lines 1-8)

This passage also shows that, far from being a neutral transaction, “the compensation thus consists in a directive and right to cruelty” (Ibid, lines 16-17) where the debtor is reconstituted into a dutiful subject through mechanism of punishment, oppression and power. From what has so far emerged, there seem to be at least three levels according to which one should analyse the *principle of debt repayment* in GMII. Above all is the meta-level where, 1. Debt repayment is conceived of as the quintessential fulfilment of a general obligation, or a promise. This gives rise to the other two sub-levels, which indicate the ways in which such promise must be fulfilled namely through: 2. Debt repayment as compensation in money, land, or possessions of any kind and via 3. Debt repayment as a compensation by means of punishment inflicted to the debtor.

Ultimately, it is compensation as punishment that produces through the debtor’s suffering a moral subject capable of fulfilling his promises. It is precisely in this context that Nietzsche declares that the Kantian “categorical imperative smells of cruelty”, by stressing out that “the moral conceptual world ‘guilt,’ ‘conscience,’ ‘duty,’ ‘sacredness of duty,’ has its genesis (...) in blood” (Ibid, p. 41, lines 18-21).

This apparently extemporary reflection on debt repayment as punish-

¹⁶ See Graeber (2011,76,80, 448).

ment and the machinery of cruelty in GMII marks nevertheless the significant transition from an understanding of monetary debt as a pre-moral form of owing to non-material debt as a fully moral species of owing. The *moralization* of debt, in fact, passes through the progressive ‘internalization’ of instances of ‘cruelty’ and ‘punishment’ that, from the external body of the debtor, are “being pushed back into conscience” (Ibid, 62, line 14). Debt repayment becomes a fully internalized moral principle, capable of turning the undutiful debtor’s conscience into a ‘bad conscience’.

Yet, if the passage from material debt as a pre-moral duty to a fully moral duty has emerged quite clearly, what is still unclear so far is when Nietzsche starts treating all moral obligations as debts (A1)? This shift happens when Nietzsche extends the creditor-debtor relation to the relationship between the *community members* and their *ancestors*:

The civil-law relationship of the debtor to his creditor, of which I have already spoken at length, was once again (...) interpreted into a relationship in which it is for us modern humans perhaps as its most incomprehensible: namely the relationship of *those presently living* to their *ancestors*. (Ibid, p. 60, lines 6-11)

Debt is hence established as an intergenerational obligation occurring among members of the same community where the creditors are transfigured into the community ancestors whereas the debtors are those presently living. Indeed, one can identify three stages along which Nietzsche extends the principle of debt repayment to the dimension of non-monetary debt:

Indebtedness towards the ancestors,
Indebtedness towards the gods,
Indebtedness towards the Christian God.

As the principle of debt repayment still holds in this new immaterial sphere of debt, so does Nietzsche assume that the latter forms of indebtedness (1,2,3) require adequate repayment in the same way as monetary debt demands retribution. Hence the idea of repayment *vis à vis* the ancestors, repayment *vis à vis* the pagan gods and repayment *vis à vis* the Christian God. As Nietzsche puts it, in the case of indebtedness towards the ancestors:

Here the conviction holds sway that it is only through the sacrifices and achievements of the ancestors that the clan *exists* at all, - and that one has to *repay* them through sacrifices and achievements. (Ibid, lines 16-19)

However, as debt becomes more and more distant from its monetary form, the principle of debt repayment becomes increasingly more difficult to be fully honored and hence debts impossible to be fully discharged: “One thereby acknowledges a debt that is continually growing, since these ancestors, in their continued existence as powerful spirits, do not cease to use their strength to bestow on the clan new benefits and advances” (Ibid, lines 19-22). So Nietzsche asks, “What can one give back to them? Sacrifices (...), festivals, shrines, tributes, above all obedience (...)” (Ibid, lines 23-27). And then the suspicion emerges: “does one ever give them enough?” (Ibid). As indebtedness towards the ancestors is transfigured into that towards the deities, indebtedness grows, and so do bad conscience and human suffering which reach the maximum peak with “the rise of Christian god” (Ibid, p. 62, 1).

By applying the principle of debt-repayment to such transfigured notions of debt (‘indebtedness towards the ancestors, deities, God’), Nietzsche soon arrives at the formulation of what I call *the paradox of debt-repayment*, with its wider critique of morality—that is to the conclusion of the impossibility of ever discharging one’s own debts fully as certain debts can never be fully repaid. Indeed, there are debts that cannot be fully repaid and, according to Nietzsche, the indebtedness towards the Christian God is the foremost example, which appears as the ultimate *redeemer* of human’s debts. In the face of the impossibility of discharging debts, in fact, it is the creditor-God that forgives the debts of humanity as a whole in a grand gesture of redemption:

(...) Until all at once we stand before the paradoxical and horrifying remedy in which tortured humanity found temporary relief, *Christianity’s* stroke of genius: God sacrificing himself for the guilt of man, God himself exacting payment of himself, God as the only one who can redeem from man what has become irredeemable for man himself - the creditor sacrificing himself for his debtor, out of *love* (is that credible?-), out of love for his debtor! (Ibid, p. 63, lines 4-10)

This is the Christian solution to the paradox of debt repayment according to Nietzsche. However, far from being taken seriously, the idea of Christian forgiveness in the form of God’s redemption is being rejected by Nietzsche as it does not solve the problem of the eradication of bad conscience at its core, but it is rather “a temporary relief” as the moral principle of bad conscience has already been produced. In this way, the idea of Christian forgiveness is only an insane tool, says Nietzsche.

In the last part of GMII (Sections 22-24) Nietzsche swiftly mentions the possibility of eradicating this perpetual state of human indebtedness (as bad conscience) by introducing the idea of the rejection of all moral-

ity. Since morality opens up the gates to *self-hatred*, *guilt* and *bad conscience*, hence to all those “ideals hostile to life” (Ibid: 65, line 34), there seems to be only one sound solution for Nietzsche that is the rejection of morality *per se*. However, GMII does not conclude with the mere demolition of an ideal, but rather the very final lines of this treatise prefigure the erection of something new.

In synthesis, on the relation between duties and debts (A), the Nietzschean argument presents itself in this way: moral duties historically derive from monetary duties *alias* debts (A1.2). Monetary duties in turn, in order to be fulfilled, demand debt repayment. However, Nietzsche shows that debt repayment is a practice, which involves physical punishment, cruelty, and the domination of the creditor over the debtor. Nonetheless, it is precisely *via* such cruel practices, that a subject capable of honouring her promise is produced. Moreover, when debt repayment is being pushed down into the debtor’s conscience, the moral principles of guilt and bad conscience are produced, which are nevertheless also among the greatest human evils according to Nietzsche. Hence, the author of GMII concludes that morality must be rejected.

Conclusions

Some concluding remarks can be drawn with respect to our initial questions: (A) *What does it mean to think of moral duties as debts?* (B) *Is it desirable?*

While Nietzsche fundamentally anchors the origins of morality to the creditor-debtor relationship (A1.2) and from this ground derives a powerful critique of the morality of debt repayment, Kant seems to reject the wider claim that morality is intrinsically connected to *calculus* and exchange (A2), and yet still links debt repayment to a ‘categorical imperative’ (A1.1), which also leads him to favor the right of the creditors.

This paper has illustrated how Nietzsche offers a truly brilliant critique to the morality of repayment by showing what could go wrong when moral duties are treated as monetary debts (B), and one shall consider this critique seriously if one wants to challenge the principle of debt repayment from a philosophical perspective. Yet, Nietzsche does not offer any reasonable solution to the paradox of debt repayment other than suggesting the destruction of the existing system of Christian morality and what he deems to be its surrogates (e.g. Kantian ethics) and what is more, he never challenges its original premise (A1).

In this way, I believe that, if something normatively valuable is to be erected from Nietzsche, and by extension from this paper, we shall reject Nietzsche’s central assumption, that moral duties are fundamentally

debts (A1.2) and that debt repayment is a central tenet of morality (A1.1) and start instead with a Kantian assumption of morality, where morality is defined in terms of *human dignity* and hence something distinct to monetary debts (A2). Following this line, one should also go beyond Nietzsche's nihilistic conclusion, namely the rejection of morality altogether and, by the same token, we should also take distance from Kant's conclusion, namely his prescription of prohibiting international credit following his strict belief in debt repayment as a moral ought, principle that should instead be challenged.

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Of the Philosophy of Debt: In Search of the Relationship Between Debts and Duties

In spite of the historical and conceptual importance of the nexus between debt and morality, the relationship between debts and duties in particular, and the philosophy of debt in general, have been largely neglected in the discipline's debate. This paper intends to be a first attempt to fill this research gap by addressing two fundamental questions, namely, what does it mean to think of moral duties as monetary debts? And, if we think of moral duties as debts, is this desirable? I will develop an answer by looking at how Kant and Nietzsche have discussed *debt* in relation to different types of obligations—individual and collective, private and political. Both Kant and Nietzsche broadly argue that debts must be understood as essential moral duties, and see debt-repayment as the quintessential moral ought, but this leads to diverging positions with regard to the desirability of conceptualizing duties as debts. On the ground that the creditor-debtor relationship is unjust, Nietzsche rejects all morality. While on the assumption that repaying one's debts is a categorical imperative, Kant fails to question the injustices linked to debt-repayment.

KEYWORDS: debt, philosophy of debt, moral duties, Kant, Nietzsche.