

Just Debt: Theology, Ethics, and Neoliberalism

Ilsup Ahn

Waco, Texas: Baylor University Press, 2017 (216 pages)

In academic literature, one does not find many books on the subject of debt, whether private or public debt, so this new book by Ilsup Ahn piqued my interest. James M. Buchanan famously addressed the subject of government debt in 1958 in his minor classic, *Public Principles of Public Debt*. However, that book attacked public debt mainly from the standpoint of utilitarian ethics and did not at all attempt to integrate theology. Again, Ahn is pursuing a line that is long overdue for philosophers, economists, political scientists, and theologians interested in economic issues.

The author combines a postmodern and neo-Marxist critique of capitalism, in terms of its debt theory and practice, with Christian-Thomist and sometimes Kantian ethical theory applied to current theories and practices, adding a few esoteric twists of his own. His overall assertion is that debt in the West has become an amoral practice. In other words, it is analyzed merely as an economic transaction with little or no consideration of ethics either on the side of the debtor or, especially, the creditor. At best, the “amoralized” debt “system” is viewed through a utilitarian lens. Ahn hopes to correct this perceived lack.

Ahn begins with a discussion of how debt was amoralized, primarily blaming Jeremy Bentham and the utilitarians for the current state of affairs but also attempting to show how capitalism (what he calls neoliberalism) “decontextualized, dehistoricized and dis-socialized” debt to an amoral status. Ahn writes, “Debt is not merely a monetary affair; it is also a human and social affair that should not be entirely dominated by the rigid law of exchange and reciprocity” (21–22). Let me add an evaluation at this point. I agree that debt is not merely economic and, as the author implies, that it has a moral dimension. But it is also important not to conflate the two. Just because there is a moral dimension does not exclude an economic dimension that may in fact be amoral or, to put it differently, consistent with a proper ethical perspective. It need not be an either/or choice. But the analysis also will depend on the choice of ethical systems, which Ahn will address.

Ahn then reconstructs a “moral economy of debt,” utilizing the notion of the “gift economy” (see Marcel Mauss, Marshall Sahlins, Pierre Bourdieu, and Jacques Derrida). The author draws on postmodern thinkers for his analysis. But he goes on to a more specific discussion in the following chapters. Chapter 2 is entitled “Neoliberal Financialization and the Idea of Just Debt.” Here he wishes to include all possible parties in a given debt context: debtors, creditors, policy makers, and regulators (the inclusion of regulators implies that sovereign/government debt is also included in his moral analysis). Increasing financialization, Ahn concludes, has to do with the manipulation of the debt economy and results in “the dangerous proliferation of debt, the systemic exploitation of vulnerable debtors, and the detrimental concentration of wealth among financial rentiers” (41). The motive behind the scenes in Ahn’s narrative is one often heard: the greed of neoliberals, expressed in their drive to find any new way to maximize profit. This the author largely blames for the recent economic recession. He then turns to the Marxist and neo-Marxist

explanation for help in founding his ethical response, particularly in the form of Marx's formula in *Capital* ("money begets money," not commodities; M—M). Ahn's research, he writes, took him back to the origins of the "manipulative economy of debt" in the ideas of John Locke, whom he argues made it possible to think of debt as just another form of property, divorced from any moral implications (52). The solution for the author is then to reconceive debt and to develop policy and law along morally conceived lines with respect to those manipulated and exploited. A "just debt" should be (1) serviceable, that is, "used directly or indirectly for the sake of those who will pay back after being served;" (2) payable for the debtor; and (3) shareable, among all parties in the event the debt cannot be repaid due to certain circumstances (see 55–57). Relying on Ronald Dworkin, Onora O'Neill, and other sources, Ahn argues that a moral theory of debt must satisfy the above criteria.

In chapter 3 Ahn addresses what he calls unpayable debt. Here he rejects retributive and fairness criteria and invokes restorative and relational justice, applying these to individual, institutional, and sovereign debt, using Rawls and Jürgen Habermas. He concludes that bankruptcy laws should serve the interests of all stakeholders and especially allow them to engage in a more participatory process instead of the narrow court situation. Here Ahn makes a good point (albeit with a rationale I might not agree with) that the legal process currently may be too prescriptive, not permitting a freer engagement in voluntary negotiation by all parties.

Chapter 4 discusses an alternative approach to an ethics of debt, rooted in Islamic law and theology. Chapter 5 then adds a Jewish ethical perspective. Chapter 6, the final substantive chapter, brings Christian ethical principles into the picture. Here Ahn traces the historical uncoupling of debt from morality, beginning with an extended discussion of the work of the utilitarian Jeremy Bentham in the eighteenth century (135–40). He proceeds to establish a foundation for a Christian moral theory of debt that draws on virtue ethics (as conceived by Kathryn Turner and Stephen Webb), in turn partly rooted in the thought of Derrida and Bourdieu and partly in the theology of Thomas Aquinas. Stephen Webb, for example, combines concepts of "excessive gifting" of God (grace, "wastefulness," excess, "giftfulness") and reciprocity. Webb is concerned that "the amorization of the economy of debt" will obscure the idea of God's giftfulness reflected in humans (148). All parties in a debt context are to reflect this characteristic of God. Ahn ends with the four "financial virtues": moderation, liberality, fortitude, and gratitude. The author sees these as relational, describing, for example, "moderation regarding our relation to human nature (greed); liberality regarding our relation to others" (149). Finally, Aquinas is invoked to support and elaborate the financial virtues.

I will begin my evaluation by commending the author for his goal of addressing the moral aspect of debt. I tend to agree that scholars have done little work on this topic, except to point out an implicit acceptance of utilitarian philosophy as a foundation for a debt economy. But herein also lies a problem: Why is it not sufficient (with some adjustments of course) to use utilitarian ethics to support a debt economy? Except for their clear warnings about the problems possible in incurring debt, the Christian Scriptures do not

absolutely forbid it, especially on the private or individual level. To be sure, they also call Christians to privately exemplify those virtues I mentioned above, and I commend Ahn for examining how they apply to private economic matters. He is also correct in critiquing public debt, but here he seems to deviate far from appropriate prescriptions when he argues for debt forgiveness on thin grounds. In addition, Ahn is far too sanguine when it comes to debtors, implying that they were always the oppressed (though he does not explicitly assert this, he gives a strong impression). It is almost as if the author has some predisposition to favor every party except the large corporation or lender and the governments who will not forgive debt or debtors. In this respect, I find the book to be too one-sided.

In addition, he makes use of all the sources for his theory that would tend to make a free market-oriented economist, political scientist, or ethical theorist skeptical. A large proportion of those whom Ahn relied on for his theory fall into postmodern, neo-Marxist, and progressive ideological camps. Thus his preferential option for the poor is grounded on a suspicion of systems and institutions that advocate or sustain markets. No doubt markets are not perfect, and no doubt individuals can be greedy. Furthermore, virtue and other nonutilitarian ethics ought to play a role in our thinking about debt. But Ahn would seem to advocate that his theory be incorporated into public policy and law, not just into ethical thinking, in a way that would harm the very market systems that have lifted and continue to lift individuals out of poverty, even with the current debt economy. The debt economy can stand a good bit of ethical critique, but it needs more personal internalization of ethical principles among all players and less radical legal reformation (though some, to be sure, is warranted). In this book capitalism is once again, in this limited way at least, the bogeyman. Ahn goes too far. He should have written this book. The topic begs for attention. But I believe he should have written a more balanced treatment.

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Morality and Power: On Ethics, Economics and Public Policy

Mike Berry

Cheltenham, United Kingdom: Edward Elgar, 2017 (348 pages)

Morality and Power: On Ethics, Economics and Public Policy is a sweeping treatment of today's global political-economic order and a deep critique of its foundations in twentieth-century economic thought. In seventeen chapters organized into three parts, the author argues that the past forty years have seen a radical shift to the right of public policy in the world's major economies, that this shift has been driven by "neoliberal faith in free markets" (3), and that this shift has wrought massive harm.

The author, Mike Berry, who is professor emeritus at the Centre for Urban Research at RMIT University in Australia, blames this shift on the uninhibited influence that