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Debt to Society: Accounting for Life Under Capitalism, by Miranda Joseph, Minneapolis, University of Minnesota Press, 2014, 224 pp., US$25.00 (paperback), ISBN 978-0-8166-8744-2

Over one hundred years of solitude, mainstream economics has been trying to account for society and nature – the ordinary facts of life that were eschewed from its foundations in order to make its metaphors of harmonious exchange real. The analytical separation between the narrowly defined economy and 'the social' has been so pervasive that it enabled the development of an 'economics imperialism' – the application of mainstream economics to all spheres of life (Fine & Milonakis 2009). The same separation between economy and society stealthily engenders a notion of a separate communal sphere opposed to 'asocial' destructive market forces. Perhaps the treatment of debt best illustrates this. Mainstream economic theory really does not (and cannot, if it is to *be*) distinguish debt relations from instances of exchange. On the other hand, within critical inquiry there is a growing interest in debt as an asocial imposition onto the 'real' economy and 'authentic' social relations. Either way, analyses of debt as a social process are precluded or inhibited. Miranda Joseph's book *Debt to Society*, however, offers a discussion of debt that opens up such avenues for inquiry.

I find Joseph's analysis informative for developing a conceptualization of debt-credit as a social process within a system of processes that does not rigidly and universally prioritize one process over another, while also avoiding a neoliberal subjectivist discourse of identities and exaggerated sovereignty[1]. I read her book as a discussion of the 'discursive apparatus' (p. 67) in gender, racial, and class processes in conjunction with the debt-credit, labor, violence, deprivation, citizenship, surveillance and punishment, and machine processes (to note a few) that sustain capitalist hierarchies.

Debt embodies and forms social relations. It is problematic to view debt as an imposition onto or destructor of social relations. Conversely, as noted by Joseph (p. 2), financialization can be understood as the increase of the socially formative role of finance and a continuation, rather than distortion, of capitalist production. That is, markets and debt are social, and financial obligations are social; they are not separate from and opposed to society. This does not preclude the recognition that there are differences in social relations and valuation (Todorova 2015a).

In order to recognize the social nature of debt, as well as its distinct impacts on other relations, it is best that we look at debt as a process. Debt is not just an outcome to be counted, just like money is not a thing. Debt is a social process entangled with other processes — violence, care, labor, consumption, mobility, exchange, distribution, economic class, surveillance, citizenship and residency, social class, gender, worship, race and ethnicity, to note some. Elsewhere I offer a categorization of social and natural processes, which enables one to conceptualize a diverse and evolving economy as a whole embedded in culture and nature (Todorova 2015b).

My concern is with further developing heterodox economic theory, which stems from Marx and his predecessors in political economy (e.g. David Ricardo and Adam Smith) and before that, moral philosophy (e.g. again Adam Smith[2]) and which continues in dispersed but more-or-less connected trajectories until today. Those are distinct from what has emerged as mainstream economics and its various trajectories of mainstream dissent (Lee 2013). In continuing to develop this web of inquiry, I find Joseph's contribution very complementary.

To view debt as a process is first to connect it to its other accounting self – credit. Second, debt ought to be seen not only as individual instances and effects. At the interactional level it seems that

the relationship between debtor and creditor disappears when debt is paid. While repayment of debt may mean an end of a particular relationship, the debt-credit process is present in the system within which persons live, even if they are 'debt-free'. For example, housing markets are structured in a way that is impacted by the debt-credit process, and thus people are intimately connected to a broader social debt-credit relation, even if their particular relations are discontinued with the repayment of their own debt obligations.

The *debt-credit social process* includes, but is not limited to, the development of monetary debt instruments and finance. It also encompasses nonmonetary debt obligations and the development of accounting systems. Debt denominated in a money of account is a specific social arrangement of accounting for indebtedness. Financialization in particular is a habit of thought (referring to concepts and practices) that represents a specific evolution of the debt-credit process in conjunction with the evolution of other processes, such as economic class.

Money itself is a social relationship between debtors and creditors and signifies hierarchical arrangements in social provisioning. This view of debt builds on inquiries that do not follow the commodity or barter-based view of money (Ingham 2004; Tymoigne & Wray 2006). As noted by Joseph, Graeber's contribution also moves us beyond the story of barter. Yet, even after Graeber's intervention, there is another step to take – from debt as an abstract *thing* and a *result* of abstraction to debt as a social process.

At a popular level the implication of not taking this step is that the differences among the 99% may be obscured. As noted by Joseph (p. 19), coming together as the 99% is one level of awareness, but looking at the differences within this large group necessitates scrutinizing particularities. Shifting the discourse on debt from a thing that seems stripped of moral obligations to a process of conventions, practices, norms, and specific habits of thought is a conceptualization that enables seeing beyond the focus on the 1% (as significant as it is) and into the various hierarchical particularities within capitalism. Joseph (p. 25) makes an excellent point about what she terms 'disrespectful regard' in the convention of securitization and generally in the debtor-creditor process. Modern lending only seems impersonal, but in fact it relies on the personal circumstances of borrowers, such as insufficient credit scores, impoverishment, and generational redlining. She rightly stresses that disrespectful regard ought to be understood as a social relation of creating indebted subjects.

Scrutinizing the 'personalized' character of financial practices is tied to a problematic distinction between quantitative and qualitative practices, methods, and valuation, which is often present even in critical analysis of the economic phenomena, including, as pointed out by Joseph, in Graeber's reflections on debt. If quantification is positioned as the problem, 'reducing' human relations (presumably qualitative) to gains and losses that can be counted, then the problem is formulated as one of technology or depersonalization (p. 7). The seemingly neutral technocratic and uniform procedures of credit scoring have become 'the statistics of choice to track the neoliberal self' (Mirowski 2013, p. 127) in securitization, consumption, employment, housing, saving, and insurance. However, a dualistic notion of qualities vs. quantities is difficult to defend. Yes, numbers on a spreadsheet represent matter-of-fact information that can be impersonally manipulated, but the quantities and methods are a manifestation of social relations. Even if debt-credit relations are 'repersonalized' – going back to the wonderful life of traditional banking – the personal particularities could be oppressive and still sustaining of a 1%. The point is that identifying quantification, and in the words of Joseph, 'demonizing abstraction', can get us only so far. Joseph emphasizes a 'generative role of abstraction' (p. 15). This takes us from looking at debt as destructive of social relations to treating debt-credit as an evolving social process that is generative of new conventions, norms, habits of thought, working rules, and conventional wisdom.

The debt-credit process includes conventions of accounting. Joseph refers to differences in regimes of accounting. She defines accounting broadly, which I see as capturing the broad definition of debt as an obligation. I find that this is a major difference between Joseph and Graeber, who in fact seems to construct a dualism. My understanding is that monetary debt is a particular form of

obligation, which aligns with the point about various regimes of accounting (or evolution of the debt-credit process).

This point links to Joseph's argument that accounting can constitute and articulate particular subjects as 'differentially creditworthy' (p. 27) with respect to monetary debt, as well as regarding notions of debt to society that are manifested in the criminal-justice system. In fact, Joseph (p. 43) argues that 'the transformation of criminal justice was intertwined with a transformation in the management of debtor-creditor relations'. For example, evolving methods of managing financial relationships help displace debtors' prisons (pp. 43–44, 53), at least legally. Those methods involve the particularities of character, creditworthiness, and individual behaviors that later became incorporated into the credit-rating system. Thus, despite the 'veneer of objectivity' (p. 45), the quantification, abstraction, and apparent distance between debtors and creditors does not preclude particularization. In fact the originate-and-distribute system of lending and securitization, including the automation of creditworthiness and processing of defaults, embody hierarchical social distinctions (see e.g. Cohen 2008; Mirowski 2013, pp. 124–125).

On the other hand, in accounting for justice there is a reliance and rhetorical emphasis on facts particular to the individual and an abstract notion of debt to society. Joseph (p. 56) contrasts this to restorative justice, where the recognition that the individual is part of community relations means that, instead of the abstraction of assessing a debt to society, a particularization of debt payment with respect to specific communities is privileged. Discussions of abstraction and particularization then need not rely on a dualistic opposition, and Joseph demonstrates this by looking at debt beyond its financial manifestations.

Inquiry about entrepreneurial subjectivity is particularly important to understanding the evolution of the debt-credit process. The entrepreneurial self can best be described as a habit of thought since it encompasses practices, social activities, discursive apparatuses, social beliefs, and standards to which one measures up or not. The discursive apparatus both rationalizes and helps formulate material conditions. The expert discourse of the efficient markets hypothesis promoted the argument that securitization shifts risk onto those who can absorb it financially, while in practice the opposite occurred. The academic concept of human capital emerged out of decades of efforts to depart from analysis based on economic class differences and towards one based on agents with different endowments, as well as efforts to formulate entrepreneurship as one of the factors of production. 'Human capital' has permeated everyday language for some time, and the entrepreneurial subject has now become a normative prescription for 'navigating', 'managing', or most often simply 'coping' with the realities of precarity. Negative social outcomes are then seen as a failure to fulfill this normative standard, which means putting too much weight on individual ignorance in explanations of financial crisis and giving support to those who would like to define all or most of unemployment as voluntary. Of course, these discursive developments are in conjunction with the creation of vested interests and establishment of status quo capitalist relations (Henry 1990), including the evolution of the debt-credit process (see chap. 1 in Joseph's book).

Consequently, entrepreneurial subjectivity is an escape from an obligation to account for and address social costs and seek systemic explanations of phenomena. The 'fragmented' (Mirowski 2013, p. 95) entrepreneurial self highlights the escape routes for mainstream economists too, including those taken in efforts to maintain credibility as public intellectuals – sustaining credibility while defaulting on obligations of social accounting.

It is the metaphor of the omniscient market as a final criterion for valuation that precludes conceiving of varied and interconnected social processes at the level of theory and public discourse. A notion of *self* within such a conception, even if complicated by allowances for an expanded utility function and shifting identities, is formulated with respect to seeking validation from 'the market'. In reality, however, markets are comprised by debtor-creditor relations, as well as other relations embodying social hierarchies. Those hierarchies have roots reaching below the level of exchange and spread wider than the scope of identities.

Yet the permeating entrepreneurial self has the effect of not only ignoring but also distorting hierarchies. As Joseph (p. 117) puts it: 'the amount of maneuvering the financial services industry undertakes to keep people attached to their capitalist identifications through their gender subjectivities is striking'. The academic fragmentation of the university helps in that respect by engaging in interdisciplinarity for the sake of validating vested interests through markets.

> One of our central projects has been to show how social hierarchies are created and sustained through the interplay of economic, political, and social/cultural processes, describing, among other things, how the separation of those domains (and the division of knowledge production about them into distinct disciplines) works to naturalize those hierarchies. (p. 127)

Particularly informative in that respect is Joseph's discussion on gender and finance (chap. 4). She pulls together cases of pathologizing hyperactivity in consumption spending and passivity in financial matters – both depicted in public discourse as feminine outcomes. She then shows a change in focus after the financial crisis towards discussions of 'feminine' risk aversion as a wise behavior supportive of markets. This is very well put: … this promotion of feminine inactivity is just a stop-loss strategy, sustaining material class relations and hierarchies: the inactivity being recommended is the (in)activity of keeping your money *in* the market' (p. 117). Gender and a particular notion of the feminine is socially elevated for the purpose of supporting the status quo of the market metaphor. This helps answer in the negative Joseph's question about whether or not the entrepreneurial self would be shaken in the aftermath of the crisis.

Before one falls into desperation, however, Joseph's notion of differentiated regimes of accounting opens up inquiry about how to engage in abstractions that do not support market-given measured goals but are rather supportive of other and varied objectives. Her discussion is in the context of academia where the counting of outcomes has become the norm of the university as a business enterprise. Yet, as in her discussion earlier in the book, Joseph does not see counting *per se*, but the methods of accounting, as the problem. For example, she brings in the potential of social network analysis (p. 148). Not coincidentally this type of argument has been discussed with respect to heterodox economics and university and journal rankings (Lee 2009). Joseph's discussion of interdisciplinarity as a critique and disruption of capitalism parallels the existence of heterodox economics as a disruption of mainstream economics (see Lee 2013).

What is at stake here is the recognition or stifling of variations in objectives or ends-means continuums. Dominant and dominating notions of impact and quality of academic work could be enriched by a broader understanding of the 'social', for example, accounting for maintaining and developing scholarly community and engagement. Creation of different 'modes of accountability' (p. 130) does not necessarily mean imputing monetary values, imposing market or other narrowly defined criteria on activities and output to make them visible or usable. Those practices really normalize the dominant system of valuation and open up new spheres to imperialize – be it in the case of financial asset engineering, policy formulation, or theoretical developments. Accounting outside status quo criteria is an *undertaking* to account for life. The more encompassing term 'undertaking' allows for different norms of valuation, as opposed to, say, 'entrepreneurship'. Which refers to a market-oriented norm of valuation. Accounting for life means allowing for a diversity of sociality and obligations. Conceptualization of a debt-credit process supports this endeavor by allowing for diversity of valuation in debt relations.

Notes

1. With this in mind, initially I was not enthused about the influential concept of 'performativity' that Joseph (pp. 25, 112, 115) also uses. I suspect that, if used in isolation, it could limit analyses of vested interests and 'attachments to the status quo' (p. 67). Yet that is not the case with the book.
2. There is a literature on the false interpretation of Smith's analyses as asocial and on the link between Smith's notion of the invisible hand and his understanding of moral sentiments. This informs the noted lineage of what now has become heterodox economics, after the reformulation of political economy by some utilitarians (for

example, as expressed in the work of J. B. Say) and later further narrowed by various strains of utilitarian marginalism (e.g., Leon Walras), which in fact significantly departs from Smith. Joseph too commits this common mistake for a brief moment (p. 6); in fact, Smith's trucking and bartering is not asocial and thus is not the same as the neoclassical, and later neoliberal, notion of exchange that she and Graeber I believe have in mind.

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