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CREDIT, DEBT AND MONEY AS SOCIAL INSTITUTIONS OF TRUST[1]

ABSTRACT
While the notions of credit, debt and money are today almost exclusively associated with economic discourse, their semantic fields prove to be significantly wider and more complex. This article seeks to restore the repressed meanings of these three notions. Its aim consists of a deconstruction of the dominant economic narratives on credit, debt, money and trust, that would show that these concepts should be primarily considered as social, rather than solely economic institutions. Therefore, in the introduction we will look at the etymology of the word credit and disclose its semantic proximity with magic as a social practice. Furthermore, the first section will examine the intrinsic relation between debt and credit, departing from Marcel Hénaff's three types of symbolic debt and exposing how these shape the financial credit in neoliberal capitalism and install the creditor-debtor relation (such as Maurizio Lazzarato describes it) as predominant at all levels of society. The second section shows how relations of credit and debt crystallize in the notion of money: firstly by exposing some major historical and anthropological insights about money; moreover, by considering money from an onto-axiological point of view as the knot in which all social relations of trust culminate; and finally, by relating the three different types of trust in money, proposed by French heterodox economists Michel Aglietta and André Orléan, to the three forms of symbolic debt, thus showing how credit, debt and money are fundamentally anchored in social relations.

KEYWORDS
credit, debt, money, trust, society, capitalism

Introduction: Credit as a Social Institution

When we speak about credit today, expectedly, most often we do that in terms of economy and finance. In this sense, we speak about many types of credit: bank credit, trade credit, public credit, consumer credit, investment credit, and so on. Furthermore, legal loans, credit ratings, interest rates or creditworthiness,

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are just some of the economic and/or financial terms that saturate the contemporary discursive field of the notion of credit. When observed exclusively from this perspective, it could appear as if the term credit didn't exist before the modern banking systems and the capitalist economy. Credit appears thus as a term which reflects only rationally explainable facts, a term whose enactments could all be objectively explained and calculable, making it reminiscent of natural or mathematical phenomena. Yet, what we will demonstrate in the following pages is that, behind the veil of the economic discourse, credit – and furthermore debt and money – aren't phenomena that the economy has self-generated (as if the economy could generate whatsoever independently from the society in the first place). What we will tend to show is that credit, debt and money are above all *social institutions*, that regulate, in a very peculiar way, all relations of trust in a given society. In order to approach the presumed social aspects of credit, we shall seek an entry point in language.

In Émile Benveniste's famous *Dictionary of Indo-European Concepts and Society*, the chapter entitled "Credence and Belief" offers a fascinating etymological study of the term 'credit' – or more precisely, of the lexical group to which this word belongs. Benveniste begins his argumentation by exposing the striking dialect distribution of the notion credit, stretching between the very extremities of the Indo-European domain. They contain

> [...] on the one hand Latin *crēdo* and Irl. *cretim*, and at the far end of the Indo-European territory Skt. *sraddhêi*, a verb and a feminine noun, with the parallel Avestan *zrazdêi-*, a verbal stem and also a noun. In Indo-Iranian, the sense is likewise "believe" with the same construction as in Latin, i.e. governing the dative. (Benveniste 2016: 134)

Thus, on the one side we find the thoroughly secular latin term *crēdo*, which designates 'credence', the action of entrusting "something with the certainty of recovering it" (Benveniste 2016: 133). From the very first textual appearances, the notion of *credo* is "extended to include the notion 'belief'" (Benveniste 2016: 133). On the other side we find the term from Sanskrit, *sraddha-*, whose meaning Benveniste retrieves from the Rig Veda, to resume its signification in a following way: *sraddha-* is an "act of confidence (in a god), implying restitution (in the form of a divine favor accorded to the faithful)" (Benveniste 2016: 133). These two terms, *crēdo* and *sraddha-*, and the exact formal correspondence that they show, enable Benveniste to map an abstract Indo-European root **kred*. Yet, he states that a clear and distinct definition of **kred* remains impossible, proposing instead (in the conclusion of the chapter), a semantic conjecture that could explain this etymologically completely isolated word:

> **kred* may be some kind of "pledge", of "stake", something material but which also involves personal feeling, a notion invested with a *magic power* which all men possess and which may be placed in a superior being. There is no hope of giving a better definition of this term, but we can at least restore the context which gave rise to this relationship that was first established between men and the gods, and later came to be established between men. (Benveniste 2016: 139, my emphasis)

The given semantic conjecture of **kred* seems to open various perspectives from which the contemporary notion of credit could be reconsidered as a social institution of trust. Besides the thought-provoking assumption that **kred* stands for a pledge/stake that combines the material and the affective – which is doubtlessly important – it seems that the strange hypothesis expressing that **kred* is a notion 'invested with magic power' is of primary interest for seeing credit as a social institution, and that we should take it quite literally. So, why does this adjective 'magical' unveil the social aspects of credit? Is this 'magic power' intrinsically present in credit, or does it require 'magicians', agents indispensable for its actualization? Moreover, besides magicians, isn't a superior instance, or being, that would counter-sign their power as magical, necessary in the first place? In his *General Theory of Magic*, Marcel Mauss suggests that magic involves "officers, acts and representations":

> [...] we call a person who accomplishes magical actions a *magician*, even if he is not a professional*; magical representations* are those ideas and beliefs which correspond to magical actions; as for these actions, with regard to which we have defined the other elements of magic, we shall call them *magical rites*. (Mauss 2001: 23)

If this definition of magic is to be transposed onto the notion of credit, or onto the 'magical power' of **kred*, then creditors, as well as debtors, should be considered as magicians of a sort. These 'magicians' realise the **kred* between them by effectuating transfers and exchange of both material and affective pledges (that crystallize all in money as we will see later). Yet, we shall not forget that this **kred* had to be previously placed in a 'superior being'. To the latter correspond what Mauss calls magical representations, which in the context of credit could stand for a myriad of diverse things: central banks and monetary systems, moral norms of a given society, market economy, institutions and state apparatuses, or else the State itself. Moreover, the vocabulary employed in the context of magic rites can also be transposed onto the discourse surrounding credit. Likewise, the "transfer of properties and influences" (Mauss 2001: 145) that we find in magic rites, could be taken as a correlative to the economic term of 'circulation' that matters in credit. The same goes for the "sympathetic connections" (Mauss 2001) that happen in magic rites, which is easily comparable to the notion of exchange which is primordial to economics. Finally, Mauss notes that:

> In the first place, magic and magical rites, as a whole, are traditional facts. Actions which are never repeated cannot be called magical. If the whole community does not *believe* in the efficacy of a group of actions, they cannot be magical. (Mauss, 2001: 23, my emphasis)

Like magic, credit inevitably depends on the belief of the community, and is as such anchored in tradition. In its most fundamental structure, credit is, just like magic according to Mauss, conditioned by repetition. As we have already reported, Benveniste explains that **kred*, the magic power of credit, is a “relationship that was first established between men and the gods, and later came to be established between men” – which shows how credit is basically always already a result of repetition.

All these counter-intuitive, yet etymologically clearly justified analogies between credit and magic offer us several insights about credit that will serve us as presupposition for our further argumentation. Firstly, just as magic (or else, religion), credit “is an institution – it is an institution in the sense that it is an artefact – pure human invention, something nature cannot produce on its own” (Bojanić 2022: 13). But while “[m]agic is an institution only in the most weak sense; it is a kind of totality of actions and beliefs, poorly defined, poorly organized even as far as those who practise it and believe in it are concerned” (Mauss 2001: 13), credit is an institution both in the weak and the strong sense. This ambiguity lies in the fact that credit is both a moral and an economic, both a material and an affective phenomenon, as we have already learned from Benveniste. Secondly, we shouldn’t forget (because this is what capitalist ideology exactly tends to make us do), that credit is first and foremost a social, and not just an economic, institution. In the third place, credit is not just any social institution. It is unlike art, but instead, has many affinities with religion. Thus, we could say it is a social institution based on belief and trust that takes the community both as its condition and its result.

It is important to stress, before we continue our examination, that on a more basic ontological level, credit is not always-already a social institution – fundamentally, it can be considered as a perfect example of what Maurizio Ferraris calls the social object. For Ferraris (2009), social objects imply social relations and are based on social acts, but moreover, they depend on material inscriptions (even if those inscriptions are taken in their very minimal form – as memories in the heads of social actors). In this sense, record contents, or documents, “are the ontological ground of social objects” (Ferraris, Torrengo 2014: 16). Credit as a social object is always a matter of inscription, of a trace that has social significance in building relations of trust and confidence. The same goes for debt, which, just as credit, comes into existence by being ‘written down’ (just as in the saying, to ‘write off a debt’ for example; for credit and debt, writing, or the production of a trace, is not just a formal procedure, it is their fundamental ontogenetic condition). In the following pages, as our argument progresses, we will be able to see how credit and debt evolve from social objects to social institutions that attain their final form in the institution of money as the sublime and fully institutionalized social object of trust.

Credit vs Debt

No elaborate theoretical explanation is needed to see that credit and debt are obviously two sides of the same conceptual coin. Credit institutes itself through debt, and *vice versa*. In the following lines, we will approach three different appearances of the symbolic (and thus social) debt, that all seem to crystalize in financial credit, marking the uprootedness of the economic concept of credit (and debt as its constitutive other) in society. In order to approach the phenomenon of debt – and again, by consequence, the one of credit as well – it seems useful to recall some parts of the rich history of diverse utilizations that these notions have known, and thus shake the solidity of the predominant economic discourse on debt and credit. Since making a thorough list of these examples can't take place in this text, we will choose to consider one existing systemic distinction concerning the history of the notion of debt. We find the mentioned distinction in Marcel Hénaff's book *The Price of Truth: Gift, Money and Philosophy*, where he dedicates an entire chapter to the notion of debt and distinguishes, historically and conceptually, between three possible models of it: the *constitutive debt* (the one that we find in Veda), the *event-debt* (of the Christian tradition) and the *cosmic debt* (a conception that finds its origin in Anaximander's philosophy). Before exposing the main traits of these three models of debt, it is necessary to point out that, if they seem to persist nowadays, none of them had kept its conceptual totality and independence intact. Rather, we find them in the overall form of debt which intertwines certain of their aspects, while neglecting others. This hybrid form of debt is indeed engendered in its formal opposite, in *credit*, such as it appears in late capitalism. Still, let's have an overview of Hénaff's three types of symbolic debt before mapping their global capitalist transformation.

The concept *constitutive debt* finds its roots in Ancient India. It is a form of symbolic debt that remains mostly enigmatic for the reasoning based on a Eurocentric worldview, due to an inherent absence of the notion of guilt in it which, as we shall see in detail later on, is a central element of the Christian conception of debt. Also, it can appear enigmatic because it is not a derived debt, but rather, a constitutive one. Hénaff explains its character, its ontological role, in a following manner:

> This debt does not stem from anything; it is a founding element. This is probably why it implies no guilt; it is not the loss of an earlier state of perfection or an evil that follows an original state of innocence. It does not arise as in the biblical narrative (in the Christian reading) as a consequence of the first man's sin; therefore, it does not belong to the realm of events but to the realm of being. There is no world before debt or resulting from debt. To be born is to be indebted. This is not fault or accident. It is the order of things. Since no one has been offended, no one has to forgive or to be forgiven. (Hénaff 2010: 212–213)

Yet, this constitutive debt is always followed by a feeling of dependence and incompleteness, which explains the necessity of sacrifice. Likewise, in the Vedic culture, the role of the ultimate Creditor is attributed to the god of death, Yama.[2] But this doesn't simply imply that with the upcoming death the debt will be paid back. Rather, it is about dying ritually and achieving thus a process of the elaboration of the world; after spending one's life studying holy scriptures

2 Hénaff makes a reference here to Charles Malamoud (1989), *Cuire le monde: rite et pensée dans l'Inde ancienne*, Paris: Éditions la Découverte.

and following the rule of living that they impose; after having procreated in order to transfer the burden of debt from father to son. To 'pay back' the constitutive debt means 'to make a world for oneself': "to *institute* an order, set a process of becoming, and know the relationships between things" (Hénaff 2010: 213, my emphasis). The credit that englobes such debt is a *general credit*, a *life credit* and a *credit for life*. Or maybe most precisely, a *life as credit*. In those circumstances, there is no need for a representational credit, because out of the constitutive debt, before or after it – there is nothing. All the quantifiable, measurable, monetizable credits, seen as particularities in the context of life, draw their agency from this general, *constitutive credit*.

The second type of debt proposed by Hénaff, originating in Christian tradition and formed by the readings of biblical texts,[3] is the *debt-event*, in which the event is considered "as a fall, a fault due to human pride. This calls for the logic of redemption [...]" (Hénaff 2010: 228). We can remark that this type of debt is preceded by the state of economic and moral purity, where an *absolute credit* reigns that God accorded to humans. A credit that, if taken in a narrow sense, reveals itself as independent of God himself, who plays more a role of judge than that of creditor. This absolute credit doesn't call for redemption properly speaking, but for an obligation to 'live' under the threat of debt. As far as no fault is committed by the first humans, they do not *owe* anything to God. While the rules set by the 'judge' and 'potential Creditor' are respected (a conduct that doesn't imitate the debt repayment but constitutes the recognition of absolute credit as the source of law), humans remain just 'potential debtors', and not debtors properly speaking. Before the original sin, God isn't entirely God yet. Neither are humans entirely humans. So, soon enough, by chance or by the God's will, the fault will be committed in the biblical narrative by Adam and Eve. The original sin will thus reduce the epoch of economic and moral purity of absolute credit (which is without debt), to a metafictional, preliminary stage, similar to Rousseau's state of nature that precedes the social contract (Rousseau 1993). It is only after the original sin that the true rules of the game are being introduced between God and humans as creditors and debtors. God becomes the ultimate Creditor and the whole humanity becomes thus condemned to debt and humans downgraded to the status of 'eternal debtors'. From there follows the logic of redemption which defines the debt-event. The 'means of payment' of that redemption correspond to the fact of enduring the punishment, of suffering, and being able to repent represents the aptitude to pay back the debt to God. Guilty, the debtor sinks under the

3 In *Debt: The First 5,000 Years*, David Graeber offers some examples that put into question a purely Christian tradition of the debt-event. Without denying the decisive influence of the Christian heritage on the debt-event, he indicates: "In ancient Crete, according to Plutarch, it was the custom for those taking loans to pretend to snatch the money from the lender's purse. Why, he wondered? Probably "so that, if they default, they could be charged with violence and punished all the more". This is why in so many periods of history insolvent debtors could be jailed, or even – as in early Republican Rome – executed" (Graeber 2011: 282).

weight of their debt, which now represent a 'criminal' felony. By becoming the Creditor, God doesn't abandon the function of Judge, he keeps playing both roles simultaneously.

Let's put aside the theological context for an instant, in order to look at this topic of guilty debt through the lens of language. Echoing Nietzsche's reasoning from the *Genealogy of Morals* (Nietzsche 1989: 62–63), Hénaff mentions the example of the German word *Shuld* designating debt, which expresses directly the link between debt and fault:

> The coherence of the debt-duty-fault-guilt sequence underlined by Nietzsche is clear to his German readers: *Schuld* means both "debt" and "fault", and *schuldig* means both "to be guilty" and "to owe". The verb *sollen* (to be obligated) derives from the common root *skal* (found in the English verb shall). (Hénaff 2010: 205)

Another Germanophone thinker, namely Walter Benjamin, remarks this 'demoniac ambiguity' of the concept of *Shuld* that the German language implies. The latter resides in three 'religious' characteristics of capitalism, enumerated in the short, yet very dense essay entitled "Capitalism as Religion". The first can be encapsulated in the formulation that claims that capitalism constitutes a pure religious cult (without dogma or theology); the second is that the duration of this cult is permanent (*sans (t)rêve et sans merci*); and the third, which is probably the most important for us here, is that the capitalist cult is a cult that engenders guilt. Anyhow, in contrast to Christianity, capitalism as religion doesn't represent a cult of repentance. Benjamin gives a detailed structure and evokes consequences of this particularity in the following manner:

> A vast sense of guilt that is unable to find relief seizes on the cult, not to atone for this guilt but to make it universal, to hammer it into the conscious mind, so as once and for all to include God in the system of guilt and thereby awaken in Him an interest in the process of atonement. This atonement cannot then be expected from the cult itself, or from the reformation of this religion (which would need to be able to have recourse to some stable element in it), or even from the complete renouncement of this religion. The nature of the religious movement which is capitalism entails endurance right to the end, to the point where God, too, finally takes on the entire burden of guilt, to the point where the universe has been taken over by that despair which is actually its secret *hope*. (Benjamin 2004: 289)

In fact, if we compare the two points of view of Nietzsche and Benjamin, it seems that between Christianity and capitalism there is only one step. This step consists in an annihilation of atonement, the final acceptance of debt as a primordial social link and guilt as a universal condition that determines humanity. But this final victory of guilt that occurs in the reality of the capitalist situation, happens to be discursively inadmissible. Therefore, capitalist ideology turns the situation around in such a way that credit and hope take the place of debt and despair. Thus, if the debt/despair couple is understood then as the reverse side of the capitalist situation, what appears on its front as its main characteristic is the couple credit/hope. Differently put, the secret hope in despair that debt brings is engendered in credit – in its positive opposite.

The third and last model proposed by Marcel Hénaff is *cosmic debt*. Departing from the thought of Anaximander and one of his central figures, the idea of *apeiron*, the limitless, the author explains how the cosmic debt engenders a 'gap' in the equilibrium, a disbalance between elements which permits them to be temporally situated. For Anaximander, each thing stems from the *apeiron*, in the same way that each living being stems from a seed. The cosmic debt which realizes itself departing from the idea of *apeiron* is constituted by several structural rules. The first of those consists in the order of time (*tou khronou taxis*), which represents the change to which the limitless itself is exposed, a linear transformation that happens in four successive phases: genesis, growth, destruction and regeneration. Conceived in this manner, this order of time becomes the highest law:

> This is the order of time (*tou khronou taxis*), with its laws and prescriptions. All living beings must recognize these laws; otherwise, they will disrupt not only the spatial order of the arrangement of things but, more gravely, their temporal order of succession. (Hénaff 2010: 229)

This law turns out to be of crucial importance in the frame of generalized exchange:

> In restricted exchange (A gives to B, B returns a gift to A) time plays a minimal part. In generalized exchange, however (A gives to B who gives to C who gives to D, who returns a gift to A), a large number of partners are involved and therefore a more developed and open network of bonds. (Hénaff 2010: 230)

The law of temporality implies thus an interdiction that can be seen more clearly if we recall the example of the interdiction of incest. In order to expose the constitutive elements of the cosmic debt, Hénaff makes a reference to the reading of the myth of Oedipus proposed by Jean-Pierre Vernant (Vernant, Vidal-Naquet 1990). If we summarize, the main point of this reading would be that Oedipus, by returning to his mother's womb, this time as a husband, radically deregulates the temporary order, which constitutes the principal reason of the punishment that he will need to endure. By doing this act, Oedipus disturbs the cosmic equilibrium, which is sustained by yet another rule that constitutes the structure of the cosmic debt: the rule of alternating response. Oedipus has skipped his turn and hasn't repaid the debt (of filiation), crushing therefore the supreme form of social reproduction which consists in the succession of generations. Hénaff concludes by saying that the cosmic debt doesn't represent "a debt associated with guilt but debt of reply, agonistic debt generated by the failure to fulfill the obligation of reciprocity" (Hénaff 2010: 231). So, the main trait that the contemporary capitalist form of credit takes over from the model of cosmic debt is its temporal order in which it inscribes itself, and that, as a consequence, it prescribes to its subjects.

Henaff's three models of debt that were presented above and connected to the elaboration of the contemporary form of capitalist credit, are seemingly semantically vaster than the 'simple financial debt'. But isn't that only the illusion that appears after the capitalist, economically determined discourse on debt is completely internalized by its subjects? Don't we testify today to an incorporation of the three models of symbolic debt in the financial debt? It seems that we see this clearly in Maurizio Lazzarato's book *The Making of the Indebted Man*, where he claims that debt has become the basis of our social life, and the creditor-debtor relation has taken over every level of the social tissue:

> [...] the creditor-debtor relation does more than "directly influence social relations", since it is itself a power relation, one of the most important and universal of modern-day capitalism. Credit or debt and their creditor-debtor relationship constitute specific relations of power that entail specific forms of production and control of subjectivity – a particular form of *homo economicus*, the 'indebted man.' The creditor-debtor relationship encompasses capital/labor, Welfare-State services/users, and business/consumer relations, just as it cuts through them, instituting users, workers, and consumers as 'debtors'. (Lazzarato 2012: 30)

And indeed, in the process of the 'making of the indebted man' the way Lazzarato describes it, we find some specific aspects of Hénaff's three models of symbolic debt: 1) the morality of guilt, the one of *promise* and *fault* that we have encountered in the Christian debt-event, is in Lazzarato's consideration of the financial debt complementary with, or superimposed onto, the morality of labor (engendered in the effort-reward couple). 2) The god Yama from the constitutive-debt model, is in neoliberal financial debt substituted by the god 'Capital', as the

> 'Indebted man' is subject to a creditor-debtor power relation accompanying him throughout his life, from birth to death. If in times past we were indebted to the community, to the gods, to our ancestors, we are henceforth indebted to the 'god' Capital. (Lazzarato 2012: 32)

3) Finally, the cosmic-debt understood as the gap and disbalance between elements which permits them to be temporally situated, is to be found anew in the power asymmetry instituted by the financial, neoliberal debt in an exchange that "functions according to a logic not of equality but rather of a power imbalance, a power differential" (Lazzarato 2012: 33). Thus, Lazzarato will conclude, together with Deleuze and Guattari (and Nietzsche), that credit or debt are the archetype of social relations. He will add to this (by referring to Marx), that, to understand the creditor-debtor relation we need to understand money, which "is first of all debt-money, created *ex nihilo*, which has no material equivalent other than its power to destroy/create social relations and, in particular, modes of subjectivation" (Lazzarato 2012: 35). Therefore, we will now pass to an examination of money in its relation to credit and debt (without reducing them to strictly financial phenomena and putting the accent on

credit, rather than debt, as it is the case in Lazzarato), to an examination of money as the sublime (social) object of credit, or moreover, as the fundamental institution of trust.

From Credit and Debt to Money (and Back)

To speak about money is essentially to speak about debt and credit, despite what the economy handbooks (published in all epochs and throughout the world) teach us. The essence of the dominant economic theories, formulated throughout the history of political economy, is based on what the anthropologist David Graeber names the *myth of barter*. This myth supposes that money takes an intermediary position in the process of market exchange and is destined to 'simplify' it. But this myth, this fiction that we find propagated through the epochs by many different economists (from Smith to Stiglitz), is defied by historians and anthropologists (and only recently by some economists, with the representative example of the work of André Orléan and Michel Aglietta[4]). They all indicate that the barter, as long as it is considered as a practice independent from all systems of credit and still belonging to market economy, never really existed. From the first historical premises of writing, in civilizations such as Mesopotamia or Ancient Egypt, we encounter documents that testify to the existence of different credit systems. The fact that credit is found at the center of the economic functioning of ancient civilizations constitutes a determining proof that those systems precede metallic money (coins) by thousands of years. Thus, contrary to the fictions dear to economists, the historical succession of practices through which humans realized the market exchange followed an inverse order: first the credit systems, then the metallic and paper money, and finally the barter (as a simple adjacent effect of the first two phenomena).

According to this conception, it becomes impossible to consider money as a simple tool of exchange. We should then rather consider it as an expression and a measure of debt. This stands of course for fiduciary money (credit-money for which the given hypothesis is obvious), but also for the money based on bullion which finds its value-substance in precious metals such as gold and silver. The latter type of money draws its credit or trustworthiness

4 In *La monnaie: entre dettes et souveraineté*, Michel Aglietta notes that: "Money isn't a human invention destined to resolve the problems of barter. It is not a simple intermediary tool of exchange aiming to surpass the problem of double coincidence of needs. Money precedes the market. Money is by the logic of things anterior to market relations, it is a social bond which is more fundamental than the market. The word 'barter' [*troc*] is usually affected by an immense semantic confusion. The first current use of the word had nothing to do with the market exchange. We employed it to speak about mutual help, that is to say reciprocal exchange of goods and services between people who know each other, linked by the familiar, friendly or neighboring relations. It is a sort of informal gift – counter-gift phenomenon that doesn't relate in any sense to market economy" (Aglietta 2016: 91).

from a general consensual value of precious metals, which as such have no instrumental use: the sole instrumental value of bullion is that it constitutes the substance of credit. The supposition that others accept to translate their debt, or to believe in this kind of support, enable bullion to become this peculiar vehicle of value. Metallic money becomes thus non-substantial, a measure that doesn't express the exact value of its standard (the value of a golden coin not being equal to the value of the quantity of gold used to produce it). In the vein of this argument, David Graeber refers to Alfred Mitchell-Iness, a theorist of credit money from the 19th century, for whom money isn't a commodity,[5] but a tool of measure (destined obviously to measure nothing else but debt). And he goes further affirming that money doesn't even constitute a 'thing' (other than the social object as Ferraris defines it). A bill or a coin represent simply a promise of payment, determined by the gold standard. In the same manner, in our contemporary system of credit, we are facing a very similar situation: a paper bill is simply a promise of payment, relative to the exchange rate of a particular currency, defined by the nominal anchor fixed by central banks – a promise that represents the *measure of social trust*. A fact that a simple piece of paper takes the place of metallic coins makes this mode of functioning even more obvious, stressing thus that "the value of a unit of currency is not the measure of the value of an object, but the measure of one's trust in other human beings" (Graeber 2011: 109).

Graeber demonstrates, in a quite convincing historical overview, how in the past five thousand years, credit and bullion money systems have substituted one another and distinguished clearly defined epochs and historical, geographical, political and cultural contexts in which that used to happen. The aim of those long passages is exposed in the following manner:

> The moment we begin to map the history of money across the last five thousand years of Eurasian history, startling patterns begin to emerge [...] what we see is a broad alternation between periods dominated by credit money and periods in which gold and silver come to dominate [...] while credit systems tend to dominate in periods of relative social peace, or across networks of trust (whether created by states or, in most periods, transnational institutions like merchant guilds or communities of faith), in periods characterized by widespread war and plunder, they tend to be replaced by precious metal. What's more, while predatory lending goes on in every period of human history, the resulting debt crises appear to have the most damaging effects at times when money is most easily convertible into cash. (Graeber 2011: 497–500)

Graeber indicates equally that throughout history, in times of war, precious metals were chosen as means of payment – because of the simple fact that they could have been stolen, unlike credit money (plane expression of pure debt) which had value only in the *networks of trust*. Likewise, in times of war, the

5 We find similar observations in Karl Polanyi's book *The Great Transformation*, where he categorizes money as a "fictitious commodity", alongside land and work (Polanyi 2001).

general trust in a certain society is shaken, and so is the trust in credit money. A possible solution in this situation is thus to invest trust in a value that seems the most 'objective', seemingly 'unchangeable', namely, the precious metals. From this point of view, metallic money acquires confidence in a more perfidious manner than credit money, a point that will nevertheless be reversed by recent economic and financial theories.

Rather than continue the analysis of those historical fluctuations that Graeber has already described, we shall map the last important switch in the way we consider money, that marks the beginning of our present epoch – when in 1971 Richard Nixon decides "to unpeg the dollar from precious metals entirely, eliminate the international gold standard, and introduce the system of floating currency regimes that has dominated the world economy ever since. This meant in effect that all national currencies were henceforth, as neoclassical economists like to put it, 'fiat money' backed only by the public trust" (Graeber 2011: 125). How should we understand money that is completely anchored in social trust? From an onto-axiological point of view, this type of money could be seen as a knot in which all values of society are interwoven. We can provocatively assume, in a Lacanian fashion maybe, that *a knot is nothing*, a shape without content. *Knot* as a fastening of relations *is*, it *exists*, but we could say that this knot is also nothing; the object knot is nothing. But the knot is also a product of *knotting* – the action of making knots. Following this word play which is not devoid of sense, we can propose that money is a *quasi-object-quasi-subject* pertaining to the realm between *being* and *nothingness*. The nothing of the knot is thus a lack, an ontological gap which emerges as some kind of a black hole – sucking in all social trust. So, if we say that money is a *quasi-object-quasi-subject*, yet another French thinker comes to mind – namely Sartre – who looked at *value* as a *being-in-itself-for-itself* (Sartre 1976: 131–132), the impossible synthesis for which the unhappy consciousness (*la conscience malhereuse*) inextricably longs – so if we translate that: we humans, as evaluators, are all in some kind of a rat race for money, that point in which all those unreachable values meet each other, no matter if we want it or not. Therefore, without credit, without social trust that the phenomenon of money provides, practically in all political and socio-economic systems through human history, and especially in capitalism, individuals, societies, and cultures would cease to exist.

Thus, money turns out to be a complex phenomenon, yet quite different from how the predominant economic theories describe it. They reduce money to three functions: account unit, exchange intermediary and value reserve. But for the heterodox economists that are opposing the idea of 'pure economy', such as Michel Aglietta and André Orléan (whose works examine economic phenomena and money in particular, often in collaboration with anthropologists, psychoanalysts or historians, in order to abandon what they call the dogmatic cathedral called pure economy), money represents significantly more. The introduction of *La monnaie souveraine*, a collective volume directed by Aglietta and Orléan, begins by suggesting that money "expresses and sustains global values of society" (Aglietta, Orléan 1998: 10, my translation). A bit further, authors will also note that "modern money is an expression of society as totality; it conserves its status of the regulating agent of social belonging" (ibid .). We could add to this that money, besides being the expression of society as a totality, constitutes the very agent of social bond, the basis of society as a whole.

So, money produces and organizes trust in society, but only if the individuals of this given society trust in that same money, if they accord their credit to it. Likewise, trust responds to trust, engendering thus what we could call the general credit. The reason for which trust in money shows up to be indispensable reveals what Aglietta names the 'ambivalence of money'. Even if money constitutes a public good, it can, by contradiction, be subjected to a private appropriation. Money, the social medium *par excellence* of market societies, objectivized by liquidity ('cash'), represents everyone's object of desire (Aglietta, 2016: 67). In this situation, trust arrives to intervene and solve its inherent problems:

> Trust in money is a collective attitude, and thus an implicit *institution*, that conjures the corrosive forces of ambivalence. To have confidence in money means to recognize the advantages of duration that the efficiency of rules of the system of payments brings to each participant in the economy regulated by the monetary order. It means to recognize money as a public good, and, by consequence, respect the battering of private appropriation of liquidity. To have confidence in money means then to take the monetary order as legitimate. Since the monetary order considered as a whole is a public good, it is by nature political. We deal then with a trust in the collective. Fundamentally, it is an ethical norm that recognizes the legitimacy of the emitting and regulative institution of ultimate liquidity. (Aglietta 2016: 68, my translation, my emphasis)

With these insights in mind, we shall come back to the previously mentioned introduction of the collective volume *La monnaie souveraine*, where Aglietta and Orléan distinguish three types of trust in money and expose their hierarchical order. These three types of trust correspond again to the three types of symbolic debt analyzed earlier, which doesn't come as a surprise, since investing confidence in money represents fundamentally nothing else but an effort to repay the Debt.

The first and hierarchically the lowest type of trust in money is named by the authors the 'methodic trust' (*confiance méthodique*):

> Methodic trust operates on the security of relations between each and every member of community, on the security of payments in the monetary order. It proceeds on a basis of repetition of acts of the same nature, which drive the exchange to a successful end. The routine is thus the source of this type of trust [...]. The simple regularity of payments permits the emergence of landmarks for the future action. (Aglietta, Orléan 1998: 25, my translation)

In a somewhat restrained sense, methodic trust responds to the pseudo-necessity of paying back the cosmic debt. As the cosmic debt represents a gap in the equilibrium, methodic trust in money, which operates by exerting repetitions which guarantee that the exchange will be successful, restores each and every time anew the equilibrium. Respecting the temporal order, those repetitions make their own 'laws of filiation' and proceed by successive replications. At the heart of the functioning of methodic trust we find an interdiction similar to the interdiction of incest: namely, it is the interdiction of counterfeiting money that is in question, because the latter would disturb the monetary temporal order. The destruction of liquidity is also nowadays still penalized in many countries for the same reason. Methodic trust is likewise projecting values in time, providing them with security necessary for their development.

The second type of trust in money is the 'hierarchical trust', which has the task of transforming the other into a *big Other*, attributing thus a sovereign authority to it:

> In these conditions, the relation with otherness is transformed into a social bond, which is hierarchically constructed and capable of testifying of a sovereign guarantor, to whom everyone is subordinated. In the monetary order, hierarchical trust is expressed in the form of *institution* which enounces the rules of use of money and emits the ultimate means of payment. This *institution* is an authority that guarantees the quality of monetary relations in their totality, that is to say their conformity to the prescribed norms. (Aglietta, Orléan 1998: 24–25, my translation, my emphasis)

This conception of hierarchical trust corresponds to constitutive debt, and thus essentially to the debt of life. By placing hierarchical trust in money and in the institutions of the monetary order, the subject of a given society renounces her own sovereignty, it 'sacrifices it ritually', and subordinates herself to an authority supposed to guarantee the stability of the social bond. This sacrifice shouldn't be understood as something that happens suddenly in any given moment, but rather as a preliminary constitutive fact. Already from our birth (and maybe even already in our mother's womb), we become individual members of society, and therefore subjects indebted *for life* and *by the life* itself. To justify the given credit, we trust an indefectible authority, which by the same token becomes interiorized, interpersonal.

Finally, the highest form of trust, still according to Aglietta and Orléan, is 'ethical trust':

> For our individually inclined societies, the ethical position obtains a superior status in comparison to social or interpersonal statuses recognized in hierarchical trust, because it supposes the superiority of the value of the human person above all other social elements [...]. There is a close link between the preponderance of ethical trust and the autonomy acquired by market economy in the course of the development of capitalism. The human person is projected there in its becoming, in a permanent pursuit of happiness that is ceaselessly postponed. (Aglietta, Orléan 1998: 26–27, my translation).

Ethical trust in money can be recognized as a response to the debt-event; and it is important to stress that when we speak about debt-event, we inscribe it, in difference to Hénaff and following Benjamin's and Lazzarato's lesson, not in the Christian tradition, but rather in the tradition of (neoliberal) capitalism. As we observe with Benjamin, capitalism is a religion of guilt without a possibility of redemption. Thus, by analogy, the illusory individualist autonomy, just like its ethical trust, represent expressions of guilt – guilt which shows up to be the central element of the capitalist ideology. Furthermore, capital, which is nothing else but an accumulation of debt, itself engenders this guilt. Therefore, if the capitalist debt-event is considered as a launched call to which ethical trust responds, we are facing an obvious redundance, an echo without source, the guilt to which the guilt itself replies. The void created by this redundance thus sucks in, in its hermetic totality, all phenomena arising from social relations, except credit – the only solution that makes possible and acceptable the capitalist pursuit of ceaselessly postponed happiness.

Conclusion

The concepts of 'hierarchical' and 'ethical' trust in money give rise to questions that largely surpass the purely economic framework, requiring from us to turn ourselves to society in order to find possible answers. Why do we obey almost without exception that instance of sovereign authority that we have ourselves promoted as the big Other, and that condemns us to infinitely deferred life and happiness? And moreover, from where does this big Other draw its legitimacy? Why, and of what, are we *afraid*, to the point in which we renounce opposition to this tyranny of credit/debt relations that culminates in money, and why don't we find any other option except blindly believing in them? And *in extremis*, are we capable of seeing, blinded by trust in credit, debt and money, that we are subjected to an abject surplus of tyranny? Most of these questions will still be looking for an answer, but one thing is certain – until the moment we stop seeing credit, debt and money as purely economic phenomena, we will rest stuck with obedience that we will, as Spinoza already taught us, happily accept as our only salvation.

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Andrea Perunović

Kredit, dug i novac kao društvene institucije poverenja

Apstrakt

Dok se danas pojmovi kredit, dug i novac skoro isključivo vezuju za ekonomski diskurs, njihova semantička polja svedoče o njihovoj značajno većoj širini i kompleksnosti. Ovaj članak stremi da ponovo uspostavi potisnuta značenja ova tri pojma. Njegov cilj leži u dekonstrukciji dominantnih ekonomskih narativa o kreditu, dugu, novcu i poverenju, koja bi pokazala da ovi koncepti predstavljaju pre svega društvene, a ne i isključivo ekonomske institucije. Stoga, u uvodu će fokus biti na etimologiji reči kredit i na otkrivanju njegove semantičke bliskosti sa magijom kao društvenom praksom. Nadalje, prvi deo će biti posvećen ispitivanju intristične veze između kredita i duga, polazeći od tri modela simboličkog duga koje predlaže Marsel Enaf (Marcel Hénaff) i pokazujući kako potonji oblikuju finansijski kredit u neoliberalnom kapitalizmu, ali i uspostavljaju odnos između kreditora i dužnika (onako kako ga Mauricio Lazarato (Maurizio Lazzarato) opisuje), kao dominantan na svim društvenim nivoima. Druga sekcija članka pokazuje kako se odnosi između kredita i duga kristalizuju u pojmu novca: isprva izlažući najznačajnije istorijske i antropološke uvide o novcu; potom, razmatrajući novac sa onto-aksiološke tačke gledišta kao čvorište u kom kulminiraju svi društveni odnosi poverenja; i konačno, povezujući tri modela simboličkog duga sa tri različita tipa poverenja u novac koje predlažu francuski heterodoksni ekonomisti Mišel Aljeta (Michel Aglietta) i Andre Orlean (André Orléan), a tako pokazujući na koji način su kredit, dug i novac fundamentalno utemeljeni u društvenim odnosima.

Ključne reči: kredit, dug, novac, poverenje, društvo, kapitalizam.