

This article outlines the work programme for a national movement on indebtedness that recognises both a need for the abolition of current household debt and the recognition of socio-historical debt accrued to Indigenous, working-class, and other peoples as the result of racial capitalism. It finds capacities for the recognition of both forms of debt in qualities shared across Black radical abolitionism and the 'New Reading' of Marx. These qualities come together in the search for a contradiction within the prevailing order that (1) unsettles those who are satisfied with existing arrangements regarding debt, which we can call a 'competing contradiction'; (2) co-opts conservative attempts to derail progress in ways that, paradoxically, addresses socio-historical debt. The conservative ideology of 'moral hazard' is a site of potential contest through which both outcomes can be pursued.

Debt Abolition After the Crash

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Abolition's time has come again.¹ A five-fold increase in academic references to abolitionism over the last five decades, energised by Black radical writing and activism, suggests an intellectual impatience with reformist logics, occurring amidst a global cascade of social, political, and ecological crises.² If the planetary situation is one in which the human species is not simply running out of time but, rather, already out of time, the notion of abolition only grows in significance. On the road to extinction—when there is nothing left to win—there is also nothing left to lose. Reformism be damned. The vast increase in references suggests that nothing short of an abolition of the systems responsible for these interlinking crises suffices. The Left can yet have the time of its life ensuring that, as a key driver of the crises, capital's ability to determine 'in the last instance' is indeed relegated to 'the lonely hour ... that never comes'.³

1 Thanks to Stefano Harney and an anonymous reviewer for comments that helped develop the paper from its initial form, and to Neil Vallely and Simon Barber for the warmth of their collegial support through the editorial process.

2 As indicated by Google Scholar metrics.

3 Louis Althusser, 'Contradiction and Overdetermination', in *For Marx*, trans. Ben Brewster (London and New York: Verso, 1996), 113.

Debt has a special status amidst this situation of cascading crises. The financialisation of the capitalist economy has ironically found societies able to bear higher burdens of debt than had previously been the case.⁴ This development helps support fantasies, amongst others, that the creation of increasing levels of wealth under capitalism will protect human society from the ecologically destructive effects of that creation. Those capacities to shoulder debt are, of course, unevenly distributed, with economic restructuring disproportionately affecting households and their members on the margins of the economy. Setting aside this observation, to which we shall return, debt is not the restriction on social activity it once might have been. It does not take only an ‘illiquid’ form that constrains social life, but also, now, it always takes a ‘liquid’ form of new money generated for use. For every instance of illiquid debt, a liquid dop-pelganger potentially exists. Even if I am not producing liquidity (money) from my illiquid debt (a house mortgage and car loan, in my case), the chances are that someone else is. In brief, contemporary debt overflows its illiquid form.

The challenge with grasping debt lies with the economic and social relations now involved in the formation and circulation of debt. The relation that sustains the generation of credit and the taking on of debt—in brief, ‘finance’—is not only economic in kind, between production and exchange, as in those instances where lendable money exists in direct proportion to surplus value realised across the economy. That relation—of direct proportionality—has seen a social relation at work where debt is used as a tool of social domination. David Harvey notes of the latter that debt has become ‘a claim on future labour’.⁵ The possibility of paying a house mortgage requires the worker to present themselves as productive labour power on an ongoing basis for as long as the debt remains. That same demand is at work in the generation of future debt as with workers’

⁴ Maurizio Lazzarato, *Governing by Debt*, trans. Joshua Jordan (South Pasadena: Semiotext(e), 2013), 227; Lisa Adkins, ‘Debt Complexity and the Sociological Imagination’, in *The Sociology of Debt*, ed. David Featherstone (Bristol: Policy Press, 2019), 42.

⁵ David Harvey, ‘Universal Alienation’, *tripleC* 16, no. 2 (2018), 434.

pension funds: the possibility of future funds depends upon a collective presentation by labour of itself for ongoing exploitation. Gilles Deleuze anticipated that new forms of social control would continue to work by this logic, whereby ‘Man is no longer man enclosed but man in debt’.⁶ Maurizio Lazzarato reaches a similar conclusion with his observation that populations are now ‘governed by debt’.⁷ Under such conditions, it is easy for the Left to be unilaterally ‘against debt’.

The financialisation of economies shifts the relations of debt and, thereby, how we might understand indebtedness. This shift occurs as the economic relations between holders of money and holders of commodities are supplemented by a set of opaque relations that are internal to finance itself. Marx noted in this regard: ‘If, finally, money is exchanged for money [as occurs in the circuit of finance capital—M-M¹] . . . then not even a formal difference appears between the things distinguished; a distinction without a difference; not only does exchange value disappear, *but also the formal movement of its disappearance*’.⁸ With financialisation, the coming to dominance of liquidity (money exchanged for money) overwrites the relations through which it had itself formed (of production and exchange). Liquidity becomes self-referencing, the principle of its own authorisation. Under financialised social conditions, to speak of debt is to invoke a vision of self-generating liquidity.

The new relation, of a liquidity that references itself, affects how we might respond to situations where households and their members face chronic indebtedness (ongoing restrictive illiquidity). We are thinking here of households facing relationship breakdown, chronic ill-health, and/or un- or under-employment. These are households where responsibilities for the reproduction of life, including the management of debt, are disproportionately carried by women, people of colour, Indigenous peoples,

6 Gilles Deleuze, ‘Postscript on the Societies of Control’, *October* 59 (Winter 1992), 6.

7 Lazzarato, *Governing by Debt*.

8 Karl Marx, *Grundrisse*, trans. Martin Nicolaus (London: Penguin Classics, 1973), 260, emphasis added.

and workers.⁹ The new relation displaces ideas we might have once used to confront situations of chronic household indebtedness, ideas that presume the existence of authorities that hold power over finance. ‘Rights’ and ‘justice’ are of this kind: we may once have spoken of people’s rights to live free of domination-through-debt as if Law yearns for justice, or of the justice of debt cancellation under conditions of social inequality as if Justice were its own Law.¹⁰ We can find ourselves ‘splitting’, however, as the psychoanalysts would say, as distance increases between the knowledge we gain about the obdurate force of self-referencing liquidity and our belief in idealised figures to stem that force, including those of Law and Justice.

A fracture line runs through debt as it becomes synonymous with self-referencing liquidity. Exploiting this fracture line will help us understand how a national movement for the abolition of debt might undertake its work. The fracture line that ruptures debt in its self-referencing condition of liquidity has no form ‘as such’. This insight reflects Marx’s observation that finance effaces the distinction that once existed between itself and the relations of production/exchange through which it has itself formed. Likewise, the fracture line that runs through self-referencing liquidity cannot appear ‘in itself’ because the line emerges only in its effects. The line is a paradoxical object, being simultaneously a cause and an effect. We can harness the ‘disorienting’ power of this object to incite possibilities that run askew to the typical lines of thought about debt.¹¹

The disorienting object that fractures debt in its state of self-referenc-

9 See Ministry of Economic Development, *Evaluation of the No Asset Procedure: Final Report* (Wellington: NZ Government, 2011). See also Ministry of Business, Innovation & Employment, *Insolvency Statistics and Debtor Profile Report: 1 July 2017 to 30 June 2018* (Wellington: New Zealand Government, 2018).

10 We can see this in the limitations reached by approaches to the cancellation of debt in ‘developing economies’ based upon the notions of justice, including the Christian notion of Jubilee. See for example Chris Jochnick and Fraser A. Preston, *Sovereign Debt at the Crossroads: Challenges and Proposals for Resolving the Third World Debt Crisis* (Oxford: Oxford University Press, 2006).

11 Alenka Zupančič, *What is Sex?* (Cambridge, Massachusetts and London: The MIT Press, 2017).

ing liquidity is debt associated with the historical emergence of capital. This is debt accruing from conflicts over land and bodies by which capitalist societies have both emerged and persist, coupled with an ongoing commodification of things which Karl Polanyi held should never be made into commodities—land, labour power, knowledge, and money¹². This history and ongoing commodification are underpinned by widespread indifference in the Global North to the interconnectedness of human society with the lives of other species. To this list we can add the self-assurance of masculine certitude. This, in other words, is *socio-historical debt*, accruing from an overlapping of racial capitalism and anthropocentrism within European modernity. It is this context that Black radical abolitionism has in its sights. As an expression of this aggregation, my life as a middle-class settler male amasses more socio-historical debt than the lives of others. Each time I pop down to the local shop to buy something, I unwittingly participate in the reproduction of capitalist exchange. So too when I wolf down an ice cream, overlooking my contribution to the degradation of ecological systems by intensive dairy farming. So too when I do so with insufficient attention to the status of the land on which I stand. ‘Wrong life’, I may be comforted by Adorno, can never be lived rightly even as we attempt to resist it.¹³ I can never fully atone for my life as lived under capital. Notwithstanding Adorno’s cossetting words, an effect of ongoing wrong life thereby persists, of a growing socio-environmental debt for which the meaning of atonement ebbs ever further away.

To abolish household debt, as now propelled by a self-referencing liquidity, and through a socio-historical debt for which I cannot atone, is a work of politics. I wish to work toward a political practice that can

12 See Karl Marx, *Capital: A Critique of Political Economy Volume 1*, trans. Ben Fowkes (London: Penguin Press, 1990), 873–940; Karl Polanyi, *The Great Transformation: The Political and Economic Origins of Our Time* (Beacon Press: Boston, 2001); David Harvey, *The New Imperialism* (Oxford: Oxford University Press, 2003), Chapter 4; Saskia Sassen, *Expulsions: Brutality and Complexity in the Global Economy* (Cambridge, Massachusetts and London: Harvard University Press, 2014); Jason Moore, *Capitalism in the Web of Life: Ecology and the Accumulation of Capital* (London: Verso, 2015).

13 Theodor W. Adorno, *Minima Moralia* (London: New Left Books, 1974), 39.

move debt, of both contemporary and socio-historical kinds, towards a state of mutual cancellation. It is to such a political practice that we will head on behalf of a future national movement that I wish to imagine for the abolition of debt.

Old Debt, New Relations

Following the Global Financial Crisis of 2007-08, it has become difficult to imagine the meaning of the abolition of debt. In the neoliberal period of financialisation prior to the Crisis, the meaning was already obscure. Governments, as a primary source of national financial credit—and thus as the administrators of debt—saw the responsibility, in which they once participated, for the evaluation of credit outsourced entirely to financial markets.¹⁴ The economic value of credit that governments then raised through the issuing of sovereign bonds would turn upon the performance of those bonds in the financial markets. Government bonds were being ‘securitised’—that is, turned into assets that could be traded. Under favourable market conditions, the credit that governments now release may increase in value as the bonds are traded. This process can have a flow-on effect in that increased value enhances the desirability of future sovereign bonds in the bond markets, which, thereby, potentially increases government liquidity. Well-performing national debt can paradoxically generate national wealth. Within financialised situations, the abolition of debt has increasingly made little sense.

As the Global Financial Crisis saw the mass expulsion of Americans from their homes, a window opened briefly for the reimagining of debt abolition. The American finance industry, using the same securitisation mechanisms, had been unable to adequately price the risk to global capitalism of securitisation as it was being applied to home mortgages. When collapse came, the lack of a systemic insurance programme became evident, with nothing in finance able to save either the markets or house-

14 See Warren Potter, ‘An Overview of the Money and Bond Markets in New Zealand Part 1: The Crown Debt Market’, *Reserve Bank Bulletin* 58, no. 3 (1995): 177–192.

holders' homes. As foreclosures occurred and people began to be physically dispossessed of their homes, it became possible to again imagine a role for the abolition of debt. Abolition could mean the cancelation of toxic debt taken under contestable conditions.¹⁵ That window has all but closed.

The aftermath of the Global Financial Crisis has seen a new mechanism emerge for the global distribution of the risk posed by securitised credit. This mechanism once more unsettles the meaning of debt abolition. The mechanism again distributes global financial risk across households but in terms of the financial performances of those households rather than the physicality of the dwellings involved.¹⁶ At the centre of this change are the routine practices of households in meeting contractual financial obligations across an array of payments, including mortgages, credit cards, utilities bills, gym memberships, student loans, mobile phone plans, and more besides. The process has seen a widespread 'securitisation of household payments'—'a bundling up of payments on loans ... on insurance ... on rent, and on utilities ... and selling the income streams (the monthly payments) into global markets'.¹⁷ What gets sold is 'not the fixity (the house) but the mortgage *payments*, not the health care but the health insurance *payments*, and not the student learning experience but *payments* from post-student earnings'. As sociologist Lisa Adkins notes: 'This reworking is expressed in how securitised mortgages and other forms of loans are calculated not with reference to the probabilities of wages and working lives but instead with reference to the possibilities of payment, that is with reference to capacities to continuously pay rather than to repay'.¹⁸ Variations in households' abilities to meet their financial obligations are then priced by industry players according to the risk those

15 On the racialised profiling of sub-prime lending, as an exemplar of this, see Miranda Joseph, *Debt to Society: Accounting for Life Under Capitalism* (Minneapolis: University of Minnesota Press, 2014).

16 Dick Bryan, Michael Rafferty, and Chris Jefferis, 'Risk and Value: Finance, Labor, and Production', *The South Atlantic Quarterly* 114, no. 2 (2015): 307–329.

17 Bryan, Rafferty, and Jefferis, 'Risk and Value', 320.

18 Adkins, 'Debt Complexity', 11.

variations pose to an idealised stream of income. Households' contracts containing the same risk profile are bundled (tranching) for sale as assets to investors, with the initial pricing of those assets reflecting the profiles of risk. Tranches can then be traded, with their market values reflecting the levels of income stream, set against risk, that the tranches are generating. Households are drawn into this stream of wealth-production simply through maintaining themselves.

This shift in the management of risk associated with credit-generation matters for at least three reasons, complicating what is at stake in debt's abolition. First, the site of wealth-production expands beyond the role that labour power plays in the generation of surplus value, through its role in the production of commodities. Under capitalism, as Marx noted, labour power is the elemental commodity in the matrix of commodity production, being wedged between a freedom to sell itself and the absence of any substantive freedom on the part of the working person to do otherwise with it. 'This paradoxical redoubling', Zupančič notes, 'corresponds to the point of structural negativity and its appropriation as the locus of the market's "miraculous" productivity.... Capitalists are not so much "stealing" from the workers as employing them to make the negativity/entropy of the system work for them, as capitalists'.¹⁹ With the securitisation of household financial obligations, a similar structural paradox in which households find themselves—do what they're happily doing or face dissolution through financial ruin—becomes an additional point of systemic entropy. As with labour power, it is not that the finance industry steals from households through those householders' payment of bills. Rather, the industry turns the point of structural negativity/entropy in which the household is now positioned in capitalism, as an additional site of value production.²⁰

Second, this enlargement in the sites of economic productivity constitutes a qualitative shift in the relation between households and

19 Zupančič, *What is Sex?*, 33.

20 As to whether the product can be called 'value', in Marxist terms, depends on positions taken between the labour theory of value and the value theory of labour. Resolution of this question is beyond the scope of the present piece.

capital. During the initial period of neoliberal financialisation, households remained peripheral to capital. Only their dwellings were brought into the capitalist orbit and, then, only through the operation of financial lending. In Marxist terms, the subsumption of households, via finance, was of a ‘formal’ kind only.²¹ With the incorporation of the household as a site of value production, through households’ routines in the maintenance of themselves, the subsumption of households has become without an exterior-point to capital (becoming ‘real’).²²

Third, households unable to perform financially—to meet regular contractually-obligated payments because of disruptive changes in their situations—find themselves not only facing the challenges of illiquidity. Such households also find themselves without a public discourse by which their condition can be heard. Their illiquidity has become another classes’ liquidity: the systemic risk such households pose is factored into another classes’ anticipated return on investment.²³ Their travails have already been given a systemic expression in the movement of value towards the fantasy of its self-valorisation. This is the most challenging element for abolitionism in the post-crisis period.

Following the idea that debt now equates with the production of liquidity, and with that productivity pegged to routine household self-management, it becomes clear that debt is not easily abolished. In recognition of this situation, progressivists could easily mount arguments for more evenly distributed outcomes of liquidity-production, perhaps for the sake of ‘social cohesion’. Following the logic further still, however, a fissure opens within debt-as-liquidity. The self-referencing nature of liquidity cannot generate a boundary line to distinguish itself from debts

21 Bryan, Rafferty, and Jefferis, ‘Risk and Value’, 318-21.

22 The proposition has long pedigree to it, associated with insight from the value theory of labour (Diane Elson; Moishe Postone), through the works of Michael Hardt and Antonio Negri on the ‘social factory’ and a collapse in the distinction between production and circulation, to Fredric Jameson’s work on the formulation of consumption into a particular kind of production.

23 Brett Christophers, *Rentier Capitalism: Who Owns the Economy, and Who Pays for it?* (London and New York, Verso Books, 2020).

associated with the socio-historical development of a financialising social system. Like debt-as-liquidity, socio-historical debt is not easily abolished. If a duty to pay applies to one kind of debt, it cannot be said that the same duty does not apply to the other. Debts amassing from the historical development of our anthropocentric racial capitalism remain to be paid.

Debt, Abolitionism, and Marxism

Possibilities for a programme that can recognise the toxicity of contemporary debt and the need for its abolition, along with unattonable socio-historical debt, lie with a point of difference shared between two traditions for which the analysis of debt has been significant: abolitionism and Marxism. The point of difference emerges from a broader field of differences that otherwise distinguishes abolitionism and Marxism from one another. As Fredric Jameson might note favorably about the unusual interstices involved in this mix, ‘difference relates’.²⁴

Regarding the field of differences, we can see how abolitionist analysis operates with a temporal scale that exceeds the scale often associated with Marxist analysis. In abolitionist thought, the time of analysis reaches from the socio-economic formations out of which capitalism developed in pre-modern Europe to the currently prevailing, financialised world-system. Time here is of a *longue durée*. As Cedric Robinson notes, the longer time scale used in abolitionist analysis disrupts Marxist assumptions about relations of cause and effect: ‘European civilization is not the product of capitalism. On the contrary, the character of capitalism can only be understood in the social and historical context of its [European civilization’s] appearance’.²⁵ Moreover, that context is one in which European culture tended ‘to exaggerate regional, subcultural and dialectical differences into “racial” ones’.²⁶ An important effect has followed for how capitalism is

24 Anders Stephanson and Fredric Jameson, ‘Regarding Postmodernism—A Conversation with Fredric Jameson’, *Social Text*, 21 (1989), 6.

25 Cedric Robinson, *Black Marxism: The Making of the Black Radical Tradition* (Chapel Hill: The University of North Carolina Press, 2020), 24.

26 Robinson, *Black Marxism*, 24.

understood: capitalism emerged as an already functioning racialising economic and social system, as ‘racial capitalism’. In brief, Robinson continues, ‘Race became largely the rationalization for the domination, exploitation and/or extermination of non-”Europeans”’.²⁷ In contrast, Marxist analysis, in caricaturised form, focusses upon the historical period *of* capitalism. It does so on the basis that only in capitalism do we have the emergence of a specifically bourgeois form of thought in which systemic exploitation is always already posited and thereby rendered amenable to immanent critique.²⁸

Another point of difference concerns spatial scales. The world is the preferred spatial scale within which abolitionism functions, a world-system that was emerging long before the formation of commodified waged labour: ‘The bourgeoisie that led the development of capitalism were drawn from particular ethnic and cultural groups; the European proletariats and the mercenaries of the leading states from others; its peasants from still other cultures; and its slaves from entirely different worlds’.²⁹ In contrast again, Marxist analysis, albeit in caricaturised form, begins from the scale of the national economy. The unit that orients analysis tends to be the national economy even as those economies have increasingly formed into a singular capitalist presence across the globe. The processes of imperialism and colonisation by which this presence initially occurred happened in the name of given nation-states and with the material assistance of those states’ finance industries.³⁰

Other points of difference follow. A recurring political intention of

27 Robinson, *Black Marxism*, 27.

28 Significant in this regard is the debate sparked by Robert Brenner’s ‘Agrarian Class Structure and Economic Development in Pre-Industrial Europe’, *Past & Present* 70 (February 1976): 30–75. See, also, Ellen Meiksins Wood, *The Origins of Capital* (New York: Monthly Review Press, 1999)

29 Robinson, *Black Marxism*, 26.

30 Rosa Luxemburg, *The Accumulation of Capital* (London: Routledge, 2015). See, also, Catherine Comyn, *The Financial Colonisation of Aotearoa* (Economic and Social Research Aotearoa, 2022) and Arama Rata, Jane Kelsey, Simon Barber, and Catherine Comyn, ‘Book Forum: *The Financial Colonisation of Aotearoa*’, *Counterfutures* 14 (2023): 20–54.

abolition is the cancellation of all hierarchies upon whose winnowing effects the reproduction of capitalist economy depends, with particular attention to those which racialise: slavery and neoslavery mechanisms including penal policy, racialised policing, mass incarceration, and social welfare institutions.³¹ The politics are tendentially anarchistic insofar as, as American sociologist Camilla Hawthorne notes, ‘An abolitionist vision is . . . one that is necessarily at odds with the state’.³² In contrast again, Marxist analysis, in caricaturised form, seeks to dismantle such hierarchies through a wresting of centralised political power from economic interests that presently dominate. That wresting will occur through the agency of subaltern class-based movements that can assume the responsibilities of economic governance. A redistribution of ownership across the society’s means of production and the redirection of those productive forces, along with a redistribution of the material benefits of that production, will enable the transformation of social relations through which an economy functions.

The abilities of abolitionism and Marxism to speak to indebtedness in the present situation—wherein debt takes both contemporary (toxic) and unattonable socio-historical forms—run askew to the arrangement of these various points of difference into a new synthesis. We are not seeking an ‘abolitionist Marxism’. Rather, the abilities of abolitionism and Marxism to envisage a simultaneous intervention with contemporary and socio-historical debt—involving cancellation of the first and recompense of the lat-

31 On slavery, see, for example, W.E.B Du Bois, *The Suppression of the African Slave-Trade to the United States of America* (Oxford: Oxford University Press, 2014); On neoslavery, see, for example, Joy James, *The New Abolitionists: Neo-Slave Narratives and Contemporary Prison Writings* (Albany, NY: State University of New York Press, 2005); On policing, see, for example, Amena A. Akbar, ‘An Abolitionist Horizon for (Police) Reform’, *California Law Review* 108 (2020): 1781–1846; On mass incarceration, see, for example, Michelle Alexander, *The New Jim Crow: Mass Incarceration in the Age of Colorblindness* (New York: The New Press, 2010); On social welfare, see, for example, Brianna Byrd, Camilla Hawthorne, and Dylan Rodriguez, ‘Why abolition now?’, *Interface: A Journal For and About Social Movements* 13, no. 2 (2021): 246–262.

32 Byrd, Hawthorne, and Rodriguez, ‘Why abolition now?’, 252.

ter—turns upon a state in which each tradition participates as it attempts to find a place from which to speak to debt. That state is of *disavowal*.

Typically, the idea of disavowal conjures connotations of hypocrisy, two-facedness, inconsistency, and so on. As the French postcolonial scholar Octave Mannoni has noted, however, disavowal is better understood as a relation between the fields of knowledge and belief. This relation takes the following form: ‘I know very well, but all the same, I believe’.³³ Understood in relational terms, disavowal can always shift in the forms it takes, can host alternative outcomes to those that smack of hypocrisy, unconscious motivation, undisclosed interests, and so on.

African-American philosopher Axelle Karera (contestably) suggests that the writings of Black radical scholar and activist Fred Moten on ‘blackness’ exhibit a state of disavowal. Following her line of thought to its limit points will reveal how disavowal, in the service of abolition, takes on an emancipationist twist. For Moten, blackness is the source of a socio-psychical force (‘paraontology’) that can speak to an array of social issues, including indebtedness, amidst the blunt givenness of African-American socio-historical experience. Here, Moten draws explicitly from Cedric Robinson’s framing of Black radicalism, as being synonymous with ‘the collective being, the ontological totality’.³⁴ For Karera, however, Moten’s presentation of blackness smacks of intellectual inconsistency: it is ‘what I have called Moten’s disavowal’, signalling a long-running academic beef she has with such thought.³⁵ ‘In addition to sidestepping the violence of ontology,’ writes Karera, ‘. . . Moten is nevertheless forced to be complicit with it by association in order to speak of blackness’ paraontological force: that is, in spite of himself, he is constrained to endorse the violence of ontology that conditions the possibility of paraontological enunciation’.³⁶

33 Octave Mannoni, cited in Malden Dolar, ‘“I Shall Be With You on Your Wedding-Night”: Lacan and the Uncanny’, *October* 59 (Autumn 1991), 22.

34 Robinson, *Black Marxism*, 171; Fred Moten, ‘The Subprime and the Beautiful’, *African Identities* 11, no. 2 (2013), 238.

35 Axelle Karera, ‘Paraontology: Inheritance, or a Debt One Often Regrets’, *Critical Philosophy of Race* 10, no. 2 (2022), 172.

36 Karera, ‘Paraontology’, 172.

We can see the move of which she speaks when Moten talks of the status of American subprime debtors in the aftermath of the 2007-08 crash:

Consider the subprime debtor as guerilla, establishing pockets of insurgent refuge and marronage, carrying revaluation and disruptively familial extensions into supposedly sanitized zones The subprime debtor, in the black radical tradition of making a way out of no way (out), is also a freedom fighter, a community disorganizer, a suburban planner.³⁷

It is not ontology ‘as such’ with which Moten has difficulties, as Karera claims of his position, but ‘given ontologies’, those ontologies that are framed in retrospect of lived experiences.³⁸ For Moten, one of those ‘given ontologies’ of questionable analytic worth is the idea that the Crash of 2007-08 is but a recent chapter in the story of primitive accumulation.³⁹ This conclusion would be, as Stuart Hall cautioned, an instance of ‘evolutionary historicism’ that arrives as a flawed facsimile of Marx’s historical epistemology.⁴⁰ Even though African-Americans were deliberately targeted for inclusion in subprime mortgage programmes, that fact—for Moten—does not make them victims. The tag of victimhood misplaces this subject: ‘It’s not that people don’t hate to lose the home they were holding’. This is, however, ‘the home they didn’t have’. And ‘what lies before being-fabricated needs neither to be remembered nor romanticized when it is being lived’.⁴¹ To live out of the condition of blackness, for Moten, is to live askew to Black identity even as the history of that identity frames present experience. Instead, it is to participate in a condition (of ‘black-

37 Moten, ‘The Subprime and the Beautiful’, 243.

38 Tom Moten, ‘The Case of Blackness’, *Criticism* 50, no. 2 (2008), 187.

39 See, for example, Saskia Sassen, ‘A Savage Sorting of Winners and Losers: Contemporary Versions of Primitive Accumulation’, *Globalizations* 7, no. 1–2 (2010): 23–50.

40 Stuart Hall, ‘Marx’s Notes on Method: A “Reading” of the “1857 Introduction”’, *Cultural Studies* 17, no. 2 (2003), 133.

41 Moten, ‘The Subprime and the Beautiful’, 241–242.

ness’) that ‘makes a claim upon us even as it is that upon which we all can make a claim, precisely because it—and its origins—are not originary’.⁴² He continues, by way of a dialectical ‘interpenetration of opposites’ that can be read into the non-foundationalist character of the point: this is a condition that ‘remains without credit . . . remains to be improperly thought, which is to say, celebrated’.⁴³ In Moten’s hands, blackness becomes a figurative means by which the subject position that is central to a critical socio-historical account (of neoslavery) assumes a condition of relative autonomy for itself, from the ongoing (totalising) effects of that history (and for which abolition continues to be required).

In her dismissive association of Moten’s position with disavowal, Karera disregards the operation of disavowal as a relationship between knowledge and belief. Disavowal is not necessarily, as she implies about Moten’s work, simply a terminal state of conceptual confusion. Rather, as Slovenian psychoanalytic social theorist Malden Dolar expands, the relation within disavowal is between, on the one hand, knowledge that the subject holds and, on the other, the subject’s belief that it exceeds that knowledge: ‘I am more than what I can say about the conditions of my life’.⁴⁴ The possibility for such belief, Dolar continues, does not come from the subject. The individual does not will this kind of belief into being. Instead, it comes from an always already given gap (that Moten signifies as ‘blackness’) between the knowledge held and the belief professed. It is this gap, a point of structural negativity in the discursive fabric of the self’s constitution as a social being, that holds open the possibility for personal belief in one’s autonomy from the conditions by which they are given to (otherwise) live. This gap—an object that Lacan associated with the emergence in European culture of modernity,⁴⁵ and that he christened *objet a*, the archetypal disorienting object—is the source of consistency in all social formations, including the psyche and society. For the subject,

42 Moten, ‘The Subprime and the Beautiful’, 238.

43 Moten, ‘The Subprime and the Beautiful’, 241.

44 Dolar, ‘I shall be with you on your wedding-night’, 22–23.

45 Dolar, ‘I shall be with you on your wedding-night’, 7.

it forms as belief that personal autonomy can persist irrespective of the ‘degree of autonomy’ that the subject concludes about itself in any given situation. This is the work that ‘blackness’ performs in Moten’s work. It holds the subject who identifies as Black, and others, askew to both the knowledge it holds about its socio-historical situation and belief in its personal exemption to the situation as described by that knowledge.⁴⁶ It can do this work because, as noted, blackness ‘makes a claim upon’ Black identity. Blackness is that which believes *for* the subject, through which the very possibility of the Black subject’s autonomy holds, and by which the consistency of the subject’s ability to act remains across the verities of its historical experience.

The same dynamic can be found in the New Reading of Marx from which the concerted analysis of debt by David Harvey has followed.⁴⁷ The New Reading shifts the focus of critical analysis away from social class as the site of historical struggle and as the vehicle of social transformation to the concepts of political economy as it interpolates the subject of capitalist society. It frames those concepts not simply as abstractions used in the analysis of the economy but as ‘*real* abstractions’ that direct peoples’ actions ‘behind their backs’, as Marx stated.⁴⁸ Capitalism is reproduced, in large part, by that interpolation, by people manifesting economic concepts in their daily lives. Real abstractions fashion daily behaviour beyond the thoughts with which people are given to think, demonstrating an ability ‘to compel the behaviours of social individuals beyond their immediate

46 For Moten, this includes Marx: see Moten, ‘The Subprime and the Beautiful’, 238.

47 For the New Readings of Marx, see Theodor W. Adorno, *Negative Dialectics* (New York: Seabury Press, 1973); Albert Sohn-Rethel, *Intellectual and Manual Labour: A Critique of Epistemology* (London and Basingstoke: MacMillan Press, 1978); Moishe Postone, *Time, Labour and Social Domination: A Reinterpretation of Marx’s Critical Theory* (Cambridge: Cambridge University Press, 1993); Hall, ‘Marx’s Notes on Method’; Alberto Toscano, ‘The Open Secret of Real Abstraction’ *Rethinking Marxism* 20, no. 2 (2008): 273–287. For Harvey’s analysis of debt, see David Harvey, *Marx, Capital and the Madness of Economic Reason* (London: Profile Books, 2017).

48 Sohn-Rethel, *Intellectual and Manual Labour*.

conscious processes'.⁴⁹

Finance is emblematic of the real abstractions of late capitalism. In a technical guise, as Harvey notes, finance is a mechanism for 'the conversion of idle money into the circulation of interest-bearing capital'.⁵⁰ It transforms money that might sit, for example, as bank deposits into capital as interest-bearing loans. Capitalism routinely sees capital fall out of circulation—as hoarded money, as commodities awaiting distribution, as unsold commodities—for which Harvey uses the term 'anti-value'.⁵¹ In its state of anti-value, idle money cannot function as capital. Finance recycles money that lies idle, enabling it to pass through and beyond the state of anti-value.

Three aspects of 'finance' qualify it as a real abstraction, lifting it from the status of a (simple) concept in political economy and/or a systemic device for ensuring the circulation of capital. The first is the totalising nature of its form. Finance participates in the circulation of fiat money not because the latter provides substantive content to financial exchange. Rather, the ability of finance to do so—across currencies and fluctuations in the worth of currencies—lies with its partaking in a domain that Sohn-Rethel noted as being pure 'quantitative differentiation'.⁵² In part, this differentiation is what earns finance the name, from Marx, of 'fictitious capital'. The non-substantial, abstract nature of finance lies in the fact that, as Harvey notes, it 'has no ending The number sequence is its paradigmatic form. For every number there is always a larger one that goes beyond. [Under financialised conditions the] world's money supply . . . is simply a set of numbers'.⁵³

Second, in conjunction with its totalising form, finance also has the capacity to discipline all those it touches. None escape. Here, discipline

49 Antonio Oliva, Ángel Oliva and Iván Novara, *Marx and Contemporary Critical Theory: The Philosophy of Real Abstraction* (Cham: Palgrave MacMillan, 2020), 12.

50 Harvey, *Marx, Capital and the Madness of Economic Reason*, 106.

51 Harvey, *Marx, Capital and the Madness of Economic Reason*, Chapter 4.

52 Sohn-Rethel, *Intellectual and Manual Labour*, 49.

53 Harvey, *Marx, Capital and the Madness of Economic Reason*, 104.

takes the form of universal 'debt peonage'.⁵⁴ Debt peonage conditions not only those who carry mortgages, car loans, student debt and so on but, rather, all subject positions that are constitutive of capitalist relations—'consumers as well as producers, merchants, landlords and even the financiers themselves'.⁵⁵ The demands of indebtedness condition decisions that subjects face in non-financial areas of their lives, doing so in the immediate absence of the consequences of default. Of course, the social implications of these decisions are unevenly distributed.

Third, the significance of finance goes beyond its power to discipline, towards the realisation of the madness of value's (impossible) pursuit of self-valorisation. Finance is the principle real abstraction of late capital. Finance goes beyond the fulfilment of its systemic function, for the transformation of idle money into productive capital: it reconstructs all environments with which it interacts in its own image (of an abstract space of quantitative differentiation), such that it creates conditions amidst nature, society, and subjectivity conducive to its own enlargement. Each of those domains are thereby made into sites in which contributions to wealth's growth can be measured through devices ranging from technological engineering, to biopolitical administration, to neuro-programming. Reality 'as such' finds itself being moved towards a shared state of anticipation for the realisation of increased wealth, for which the thinnest of promises now suffice: that the promised growth *will* be realised in the future. This particular 'given' totality, Harvey observes, is no more than a state of 'bad infinity'.⁵⁶

The criticism that Karera makes of Moten's disavowal becomes pertinent as Harvey outlines the complex ways in which finance-as-real-abstraction alienates people. Not only does abstract labour continue to be alienated within production processes, but it also gets alienated at the point of value's realisation, in consumption fuelled by an increasingly fast-paced generation of new wants and desires. Against the latter, the pro-

54 Harvey, *Marx, Capital and the Madness of Economic Reason*, 106.

55 Harvey, *Marx, Capital and the Madness of Economic Reason*, 106.

56 Harvey, *Marx, Capital and the Madness of Economic Reason*, 104.

ducers of value (workers) do not necessarily erect barriers to such alienation, meaning that ‘the politics involved in the extraction of wealth at the moment of [value’s] realisation are . . . difficult to theorise and organise’.⁵⁷ What becomes difficult to theorise are not only the effects upon politics of additional forms of alienation but, also, the standpoint from which any such account might be given. Given the totalising tendencies of ‘finance’ as a real abstraction, any such standpoint needs to pivot upon a belief that it (the standpoint) operates autonomously of the analysis provided by the account. This belief signals the operation of disavowal: ‘I know that I’m presenting finance as a totalising bad infinity from whose gravitational pull none can escape but, nevertheless, I believe that, at the point of writing (at least), I am escaping’.

The New Reading thereby seems to lack a Reader. Either Harvey is to be called out on his inconsistency (as Karera might do) or the theory they have produced is shown to be flawed (that finance is not the totalising apotheosis of value, as presented). At stake in this situation, alternatively, as Moishe Postone clarifies, is neither the adequacy of the theorist nor the particular theory.⁵⁸ Rather, up for debate is the matter of what, under present historical conditions, constitutes viable social theory. At stake is not simply ‘the viability of [Marx’s] categorical analysis of capitalism’ but, rather, the capacity of theory to intervene in the ‘directionally dynamic, totalizing mediation that is historically specific’ to capitalism; that is, to intervene in ‘value’.⁵⁹ At stake is the capacity for critical analysis to avoid falling prey to either the (impossible) exactitude of scientific analysis or a certainty of belief that one’s analysis is an exception to its own conclusions. Postone’s own way by which to signify the structural negativity intrinsic to the New Reading, which enables critical analysis in just this way,

57 Harvey, *Marx, Capital and the Madness of Economic Reason*, 106.

58 Postone actually opposes the analysis of real abstraction that Harvey favours (associated with Sohn-Rethel’s emphasis on the role of exchange) and seeks, instead, to redevelop the theory of real abstraction on a footing more in alignment with the labour theory of value—see Postone, *Time, Labour and Social Domination*.

59 Postone, *Time, Labour and Social Domination*, 398.

is to name it as a condition of ‘adequacy’.⁶⁰ For Postone, adequacy means no more than a capacity of analytic thought to ‘grasp’ capitalist society by means of a ‘self-reflexive, historically determinate’ reading of itself, ‘from the viewpoint of [society’s] possible transformation’.⁶¹ Such an analysis offers neither the guarantees of analytic accuracy nor the titillation of evocative figuration but, rather, an unpretentious promise of concrete possibility.

In review of abolitionism as informed by Black radicalism and by the Marxism of the New Reading, we see that both come to the matter of debt via an object that provides consistency through a route less travelled. The object by which they do so—the disorienting object of ‘blackness’ within the Black radical tradition and of a state of analytical ‘adequacy’ within the New Reading—has the potential to provide consistency to a number of critical stances (associated with abolitionism and Marxism) that have yet to be generated. Such stances will have to be developed if debt is to be understood in its internally antagonistic situation as simultaneously a present state of toxic peonage requiring abolition and unatona-ble socio-historical debt that ought not be forgotten.

Towards a Programme of Debt Abolition

The object that animates both Black radicalism and the New Reading of Marx—and which may yet shape a programme able to address both contemporary and socio-historical forms of debt—can be found in the idea of a *competing contradiction* as developed by the Norwegian prison abolitionist Thomas Mathiesen.⁶² The competing contradiction takes shape partially from what it is not. It is an analysis that can look past *contradictions* that *do not compete* (with the status quo). These are contradictions that suggest action too radical for the adherents of prevailing ideologies, such that alternatives are all too easily dismissed as being

60 Postone, *Time, Labour and Social Domination*, 399.

61 Postone, *Time, Labour and Social Domination*, 399.

62 Thomas Mathiesen, *The Politics of Abolition Revisited* (London: Routledge, 2014), 48.

irresponsible or impractical. From the world of contemporary debt, such a contradiction may include the idea that all debt, everywhere, should be immediately abolished.⁶³ Equally, it ignores analyses built upon *agreements* that successfully *compete*. This approach, of ‘the competing agreement’, offers alternative pathways to the same destructive outcomes on which capitalist societies are headed. In this box we could place suggestions put forward for households beholden to illiquid debt to simply mimic the performative innovation of the finance sector.⁶⁴ Through efforts to avoid these two outcomes—of noncompeting contradictions and competing agreements—political strategy may avoid two pitfalls through which conservative interests routinely subvert left-wing thought: through the dismissal of alternatives or through their co-optation.

A dialectic is also possible that would see a *contradiction* in the social structure *competing* with prevailing ideological defences of that structure. This is what makes for a *competing contradiction*. This option becomes possible ‘in so far as . . . at one or more points [the alternative] *contradicts* those of the old system. . . . The alternative is “alternative” in so far as it *competes* with the old system. . . . The main aim [of political strategy] is that of attaining *the competing contradiction*’.⁶⁵ The competing contradiction designates a point of structural negativity in the ontological totality—experienced as the prevailing order—being an element that has become simultaneously implicit to and alienating of those who identify with the order. It is the element of the prevailing order that has thus far eluded representation but once having been given a name, becomes like the magician’s secret: when learned, it cannot be unlearned. Once named, the competing contradiction—as that point of structural negativity—makes claims upon those who identify with the prevailing order. This subject can disregard those claims only at the risk of falling into a primal state of disavowal, into a paradoxical state of certainty about one’s belief.

63 From Left perspectives, the *non-competing contradiction* would introduce a different problem insofar as wholesale abolition would see the cancellation of socio-historical debt.

64 See, for example Adkins, ‘Debt Complexity’.

65 Mathiesen, *The Politics of Abolition*, 48.

Drawing from the general field of political economy, the Slovenian psychoanalytic social theorist Alenka Zupančič offers an instructive example of the competing contradiction, which involves conservative European responses to Middle Eastern and North African refugees.⁶⁶ Tony Abbot and Margaret Thatcher exemplify that conservatism, Zupančič argues, through the respective lines each drew between the figure of the refugee and Christian obligations towards the other. For both, the Christian maxim to love one's neighbour should not be observed in the case of foreigners seeking refuge because of pressures they believe (non-European) refugees place on European society. Zupančič disagrees based on a contradiction in the conservative position: a Freudian lens demonstrates how the Christian command to love one's neighbour introduces a demand to go beyond (mere) love.

As for the *competing* dimension of the contradiction, Zupančič notes that the position shared by Abbot and Thatcher assumes the givenness of 'value' as it forms under capitalism. Under capitalism, refugees' labour power is of variable, marginal economic worth. Refugees, unlike migrant labour, tend to be surplus to requirement. Neither, however, is the value of anyone else who is deemed secure under capitalism: 'to be the producer of value is not a blessing, but rather a curse'.⁶⁷ Not only are people reduced to the capitalist value of their labour power, but each also faces the prospect of being of no social worth when they can no longer produce surplus value. Zupančič anticipates that conservatives may recognise this contradiction in their doctrine, that in capitalist value lie the seeds of their own future demise. The conservative position on refugees is but a 'veil that makes it possible for us not to see, and to keep our distance from, something the reality of which is nevertheless closing in on us, namely that [under capitalism] the worthless piece of shit out there is, in fact, ourselves'.⁶⁸

66 Alenka Zupančič, 'Love Thy Neighbor as Thyself?!', *Problemi International* 3, no. 3 (2019): 89–108.

67 Zupančič, 'Love Thy Neighbor as Thyself?!', 107.

68 Zupančič, 'Love Thy Neighbor as Thyself?!', 107.

The identification of competing contradictions is but an initial step in social analysis, for Mathiesen. The success of campaigns that are framed through competing contradictions are also traps to ensnare conservatism as it reacts to political gains won by the Left. His political practice pivots on this juncture. Conservative interests will seek to ‘abolish the contradiction’ through which successful campaigns have run, by rescripting that success in terms which re-establishes the status quo.⁶⁹ For Mathiesen, this aspect of political struggle is far more dangerous than the antagonism expressed by groups who overtly oppose change. The reason for the danger lies not with the conservatism but with the emotional economy of political struggle. Outright antagonism ‘gives little hope of effect. Agreement, on the other hand, gives greater subjective hope.... Even if the issue here actually is that of surrender from the side of those who are working for the new, we can fool ourselves into believing that surrender takes place from the receiver’s side.’⁷⁰

Attempts by conservatism to rescript gains made by the Left ironically indicate where the abolitionist must next act. The ironic feature lies with what Mathiesen calls ‘the paradox of abolition,’ by which he means that ‘the problematical aspect [of abolition in general] lies in the fact that the abolition of boundaries itself leads new and more encompassing boundary-creating systems into the liberated field. The answer to the problem lies in the fact that this opens a possibility for a new abolishment’.⁷¹ The conservative groups that turn up to perform this task are likely to be those that have slipped into a state of disavowal regarding the competing contradiction. They may recognise the claims upon them of the competing contradiction but believe themselves to be somehow exempt. The political strategy here is not to ‘win’ against such groups with the goal of gaining their assets, for their disavowal discredits them from having anything of worth for the society to come. Rather, the goal, as with the game of judo, is to redirect their force in a way that produces

69 Mathiesen, *The Politics of Abolition*, 52.

70 Mathiesen, *The Politics of Abolition*, 52.

71 Mathiesen, *The Politics of Abolition*, 60.

their own submission.

A useful example, again from the broader field of political economy, lies with the aftermath in 2006 of a national campaign by undocumented migrant workers in the US: ‘We are America’. In the face of an aggressive Republican legislative programme towards undocumented migrant workers, the campaign successfully drew attention to the dependence of the American economy upon the poorly paid and casualised work undertaken by undocumented migrants. Central to the movement was the ‘worker centre’ campaign, a national network of community-based organisations that provided support to migrant workers on employment, health, housing, and employment issues. In the year following the campaign’s success, the worker centres attracted increased attention from the American union movement.⁷² This occurred amidst the latter’s historical indifference to migrant workers.⁷³ In Mathiesen’s terms, the interest coming from the union movement constituted a conservative boundary-creating system intruding upon the liberated field. It had the potential to steer the campaign in directions that would advantage a conservative unionism facing political decline. Leading up to this situation, ideological differences between the union movement and the workers’ centre movement had been particularly stark. Unions were based upon ‘narrow but robust worker identities revolving around the production of goods and services as commodities in the [national] economy’ as compared to the worker centres which were anti-capitalist in orientation, internationalist in scope, and attentive to a broad set of social reproduction needs of migrant workers in addition to employment-related disputes (housing, health, education, etc.).⁷⁴ From Mathiesen’s perspective, the ‘We are American’ movement thereby faced not only an antagonistic Republicanism but, also the appropriating impulses of productivist/nationalist factions in the American union movement. The attention paid to the worker centres signaled, in the terms

72 Janice Fine, ‘A Marriage Made in Heaven? Mismatches and Misunderstandings between Worker Centres and Unions’, *British Journal of Industrial Relations* 45, no. 2 (2007): 335–360.

73 Fine, ‘A Marriage Made in Heaven?’, 340–342.

74 Fine, ‘A Marriage Made in Heaven?’, 340.

of the ‘paradox of abolition’, the target against which the campaign should next move: the remnants of productivist nationalism within the American union movement.⁷⁵ As David/Goliath as this sounds, only struggles which also target that broader socio-political context may sustain a movement’s political impetus beyond its initial campaign(s).

The two effects of the competing contradiction—of campaigns that pivot upon contradictions that compete, and of strategic direction given by the paradox of abolition—imbue the political with an ‘unfinished’ quality.⁷⁶ This is not a kind of ‘unfinished’ which imagines the future as if an idealist state of Deleuzian ‘always becoming’. Rather, and regarding debt, it is an unfinished that takes its bearings from the unattonable debt of the anthropocentric racial capitalism to which the continuation of chronic household illiquidity contributes. To borrow from Cedric Robinson, this context is ‘the collective being, ontological totality’ from which the abolition of debt begins. It is on this same platform that a national movement for debt abolition may develop here in New Zealand.

Moral Hazard as the Competing Contradiction of Post-Crash Debt

The mix of abolitionism and Marxism that finds expression in the competing contradiction enables the fields of contemporary and social historical debt to be brought into a relation of what Stuart Hall calls ‘internal connection . . . by real processes through historical time’.⁷⁷ Through this connection, the movement towards a progressive resolution of either field may produce movement towards resolution in the other. Movement towards cancellation of household debt may engender a recognition of unattonable socio-historical debt. Regarding the securitised credit that fuels the illiquid indebtedness of low-income households, the point of competing contradiction is the role given to the discourse of *moral hazard* in the formal administration of chronic household illiquidity.

75 Fine, ‘A Marriage Made in Heaven?’, 357.

76 Mathiesen, *The Politics of Abolition*, 45.

77 Hall, ‘Marx’s Notes on Method’, 124.

New Zealand has one of the more generous provisions internationally for the relief of debt amongst low-income households and their members—a product of the Fifth Labour Government.⁷⁸ This relief occurs through a Non-Asset Procedure (NAP) that enables the cancellation of debt without the requirement of bankruptcy proceedings.⁷⁹ The process is administered by the Official Assignee (rather than the courts or the legal profession) with discharge from debt occurring after 12 months of administration of the applicant’s financial affairs (rather than the 3 years associated with bankruptcy).

The notion of moral hazard expresses a conservative fear that debt-relief measures may encourage profligate consumer behaviour that will lead to further household indebtedness.⁸⁰ The assumption fuels opposition by finance industry members to such measures.⁸¹ No evidence exists for the assumption.⁸² At best, the possibility of moral hazard is inferred from a failure of such measures to install budgeting behaviour of a kind desired by conservatives, amongst impoverished consumers.⁸³ Such inferences are then often accompanied by recommendations from the finance industry and others for mandatory participation by NAP applicants in ‘financial literacy’ programmes.⁸⁴

Moral hazard is, however, a relational concept. It is not a quality of individuals. This condition of relationality, American academic Joseph Spooner notes, is ‘where the law holds a debtor liable for the consequenc-

78 Iain Ramsey, ‘The New Poor Person’s Bankruptcy: Comparative Perspectives’, *International Insolvency Review* 29 (2020): 4–24.

79 Office of the Minister of Commerce, *Bankruptcy Administration: No Asset Procedure and Insolvency Act Changes* (Wellington: New Zealand Government, 2003).

80 Joseph Spooner, *Bankruptcy: The Case for Relief in an Economy of Debt* (Cambridge: Cambridge University Press, 2019). See, in particular, Chapter 7, ‘Moral Hazard and Bankruptcy Abuse Prevention’.

81 Office of the Minister of Commerce, *Bankruptcy Administration*, 7.

82 Ramsey, ‘The New Poor Person’s Bankruptcy’, 15.

83 Trish Keeper, ‘New Zealand’s No Asset Procedure: A Fresh Start At No Cost?’, *QUT Law Review* 14, no. 3 (2014), 97.

84 Ministry of Economic Development, *Evaluation*, 35.

es of her over-indebtedness ... this reduces creditors' incentives to prevent over-indebtedness'.⁸⁵ The discourse of moral hazard binds the two positions in a state of what Marx would have called 'mutual dependence'.⁸⁶ Movement in one party is matched by a contrary movement in the other. The prevailing ideological impulse is to see moral hazard attributed primarily to individuals, and low levels of hazard to the finance industry. Equally, however, moral hazard could be attributed to the industry with an associated decrease in the levels attributed to individuals and households.⁸⁷ Such assessments are always ideologically driven.

The relational character of moral hazard becomes the site of a competing contradiction upon which new demands can be made for the cancellation of household debt. Demands that begin from the assumption that moral hazard is a relational concept cannot be easily rescripted into individualising terms that would see individuals blamed for their indebtedness. The demands contradict the individualisation of moral hazard. These new demands would focus on the eradication of NAP elements that portray personal short-comings as the source of moral hazard. Three conditions in the NAP programme presently convey this assumption. The first is a legislative provision that limits the number of applications to once per lifetime (as if debt is 'the folly of youth' for which a 'fresh start' is needed, or an extraordinary state associated with an unforeseen life event).⁸⁸ This provision is not the case in other jurisdictions with similar programmes, where people can apply multiple times throughout their lives.⁸⁹ The second is that the application process has been made deliberately difficult to dissuade 'gaming' of the procedure.⁹⁰ The third is that individuals' progress through the programme is assessed by minor state authorities (staff of the 'Official Assignee') according to a rubric of

85 Spooner, *Bankruptcy*, 254.

86 Hall, 'Marx's Notes on Method', 124.

87 Spooner, *Bankruptcy*, 254–255.

88 Office of the Minister of Commerce, *Bankruptcy Administration*, 4.

89 Ramsey, 'The New Poor Person's Bankruptcy', 22–24.

90 Ministry of Economic Development, *Evaluation*, 5.

individualised moral accountability (rather than, for example, the legal convention of ‘reasonableness’). Demands could be mounted on all three fronts.

The idea of moral hazard as a relation between structural positions within finance also *competes* with the view that moral hazard is an attribute of individuals. It competes by bringing to the fore a finding that the primary official review of the NAP (in 2011) acknowledged but downplayed.⁹¹ The review identified the complicity of the finance industry in the impoverishment of households. It did so by discreetly criticising the industry’s marketing of loans to sub-prime cohorts.⁹² The muted nature of the censure points to the operation of disavowal within the administration: it is as if ‘we know that the injury of economically precarious households is a structural feature of securitised debt but we nevertheless believe this is amenable to subtle discursive sanctioning’. The unravelling of disavowal is remarkably easy to perform. We can take the authors more seriously than they want. The review’s criticism of the finance industry opens the door to the relational conception of moral hazard. Once opened, the door cannot be easily closed. As a relational concept, moral hazard points to the systemic social risk posed by securitised finance.

Success with these two forms of demand—for administrative reforms that would lift moral hazard from individuals and for those that would attribute moral hazard to the finance industry—are simply a first step. Following Mathiesen, we can anticipate that success with these demands would see assistance arrive from ‘more encompassing boundary-creating systems’ for the waging of future campaigns. Their contributions, Mathiesen warns, are not what they seem, and might well see the gains won being rescripted in ways that preserves the prevailing order. The conservatism that poses the greatest threat is not, here, the big industry players who can be counted on to oppose any debt-relief measures (as was the case of the Financial Services Federation and Fisher and Paykel

91 Ministry of Economic Development, *Evaluation*.

92 Office of the Minister of Commerce, *Bankruptcy Administration*, 4.

Finance Ltd with the NAP).⁹³ In their ritualistic reactions, such players simply perform the social roles always already given to them in capitalism. The conservatism that a campaign targeting moral hazard would seek to expose when it arrives, instead, are the agents of discourses that share relational conceptions of moral hazard but to system-preserving effect. At this point we can only speculate as to what might ‘turn up’ upon the success of a campaign on moral hazard, but we could, however, anticipate two such discursive systems.

A first such system would present the relationality of moral hazard in hierarchical terms, such as the use of legal rights to defend those in situations of chronic indebtedness.⁹⁴ For all their practical worth as a vehicle for injecting antagonism into a situation, rights-based arguments cannot be separated from belief in the universality of liberal Law and that the individual is readily available for inscription by that authority. A second discursive system from which a successful campaign could expect offers of assistance is one that presumes, in contrast to the hierarchical position, that relational conceptions of moral hazard operate on a single plain. This may see intellectually alluring images presented by academics, of moral hazard as ‘assemblages’ of human and other elements, as those associated with the ‘new materialisms’.⁹⁵

The involvement of either discursive system in the development of further campaigns would see undisclosed normative assumptions come into play, based upon each systems’ approach to social relations. In subsequent campaigns undertaken—for the establishment of a debtors’ union, for example—a requirement may well tacitly emerge for an unwavering respect for ‘the law’. Alternatively, the liberal political sensibilities of middle-class academics could be expected to impose their limits on acceptable subsequent action. ‘Polite aesthetic action’ comes to mind, perhaps

93 Office of the Minister of Commerce, *Bankruptcy Administration*, 7.

94 In the case of the ‘We are America’ campaign, see, for example, Jennifer Gordon, ‘Transnational Labor Citizenship’, *Southern California Law Review* 80 (2006): 503–587.

95 See, for example, Nick Fox and Pam Allred, *Sociology and the New Materialism: Theory, Research, Action* (Los Angeles: Sage, 2017).

through the creation of political art intended to unsettle establishment sensibilities but which ultimately is destined for designer living-rooms.

In both cases, plans for the abolition of debt will not be grounded in the challenges presented by the self-referencing liquidity of securitised debt. Rather, they will be figments of legal/middleclass thought that complement the fantastical nature of contemporary conservatism. Alternatively, campaigns that subvert the boundary-preserving systems which seek to appropriate left-wing gains begin the long process of addressing unattonable socio-historical debt. They begin by disabling conservative narratives which would otherwise refuse the recognition of that debt.

In the Lonely Hour of the Last Instance

The socio-historical debt we inherit in different measures from the (ongoing) legacies of colonisation, capitalism, and belief in the exceptionalism of the human, is ‘unfinished’. It is unfinished not merely in the sense that atonement for that debt is impossible. Use of the competing contradiction may yet progressively lift the weight of that debt. The ‘lonely hour of the “last instance”’, by which Althusser had spoken of the seemingly unending power of capitalism to recreate itself, may yet indeed never come. It may be erased as campaigns for the cancellation of household debt disclose the boundary-preserving elements of our anthropocentric racial capitalism that present current social arrangements as if they were naturally so. Whatever withered kernel of conservatism ultimately remains following campaigns that successfully pivot upon the paradox of abolition will only do so through whatever force that withered kernel can muster in its own ‘last instance’.