**Post-Covid, IMF and Khadim Rizvi PART-II**

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There’s something more fundamental going on here, a philosophical question, even, that we might do well to contemplate. What is the difference between a gangster pulling out a gun and demanding you give him a thousand dollars of “protection money,” and that same gangster pulling out a gun and demanding you provide him with a thousand-dollar “loan”? If classical empires demanded tribute like a dacoit, the US empire demanded loans.
In order to be able to run even a regime based on violence effectively, one needs to establish a set of rules. The rules can be completely arbitrary. The problem is, the moment one starts framing things in terms of debt, people will inevitably start asking who really owes what to whom. Telling people they’re inferior rarely leads to armed revolt.
Tell people they’re potential equals who’ve failed and that what they have isn’t rightfully theirs, and you’ll incite rage. As the great classicist Moses Finley said, in the ancient world, all revolutionary movements had a single programme: “Cancel the debts and redistribute the land.” A variant of this revolutionary programme was popularised by the late cleric Khadim Rizvi in Pakistan and was met with elitist derision, characteristic of our intellectual echo chambers, which have failed to rise beyond citation cartels and currying favours with dynasts, the so-called recreational leftists.
Our tendency to overlook this is all the more peculiar when you consider how much of our contemporary moral and religious language originally emerged directly from these very conflicts. The fact that so much of this language did take shape in arguments about debt has left the concept strangely incoherent.
After all, to argue with the king, one must use the king’s language, whether or not the initial premises make sense. If one looks at the history of debt, then, what one discovers first is profound moral confusion. Its most obvious manifestation is that most everywhere, one finds that most people hold simultaneously that (1) paying back money one has borrowed is a simple matter of morality, and (2) anyone in the habit of lending money is evil.
There is no democratic recourse around it either. For years, everyone had been hearing of a whole host of new, ultra-sophisticated financial innovations: credit and commodity derivatives, collateralised mortgage obligation derivatives, hybrid securities, debt swaps, and so on.
These new derivative markets were so incredibly sophisticated, that—according to one persistent story—a prominent investment house had to employ astrophysicists to run trading programs so complex that even the financiers couldn’t begin to understand them. Even academics fell for the boondoggle and declared financial markets to have assumed a being of their own, above and beyond democratic oversight.
The Olympus of lies soon came crumbling down during the 2008 financial crash. It turned out that many if not most of them had been nothing more than very elaborate scams. They consisted of operations like selling poor families mortgages crafted in such a way as to make eventual default inevitable; taking bets on how long it would take the holders to default; packaging mortgage and bet together and selling them to institutional investors, claiming that it would make money no matter what happened, and allow said investors to pass such packages around as if they were money; turning over responsibility for paying off the bet to a giant insurance conglomerate that, were it to sink beneath the weight of its resultant debt (which certainly would happen), would then have to be bailed out by taxpayers (as such conglomerates were indeed bailed out).
In other words, it looks very much like an unusually elaborate version of what banks were doing when they lent money to dictators in Bolivia and Gabon in the late ‘70s: make utterly irresponsible loans with the full knowledge that, once it became known they had done so, politicians and bureaucrats would scramble to ensure that they’d still be reimbursed anyway, no matter how many human lives had to be devastated and destroyed in order to do it.
The difference, though, was that this time, the bankers were doing it on an inconceivable scale: the total amount of debt they had run up was larger than the combined Gross Domestic Products of every country in the world—and it threw the world into a tailspin and almost destroyed the system itself. The post-COVID economy in Pakistan and IMF’s bailout is quite reminiscent of the Madagascar crisis and the 70’s go-go banking.
The evident doom of the cryptocurrency bubble, loss of third-world productive capital inside it, bankruptcy of Sri Lanka due to predatory lending by China, and the Pakistani government struggling to find enough morsels has sparked the debate around debt again, a correction overdue since the 2008 crash. As I have explained earlier, not all of us need to pay our debts, only some of us do. However, there is a caveat, which is that the ultimate hidden truth of the world is that we make and could just as easily make a different image.
The refusal to calculate credits and debits can be found throughout the anthropological literature on egalitarian hunting societies.
Rather than seeing himself as human because he could make economic calculations, the hunter insisted that being truly human meant refusing to make such calculations, refusing to measure or remember who had given what to whom, for the precise reason that doing so would inevitably create a world where we began “comparing power with power, measuring, calculating” and reducing each other to slaves or dogs through debt.
It’s not that he, like untold millions of similar egalitarian spirits throughout history, was unaware that humans have a propensity to calculate. If he wasn’t aware of it, he could not have said what he did. Of course we have a propensity to calculate.
We have all sorts of propensities.
In any real-life situation, we have propensities that drive us in several different contradictory directions simultaneously.
No one is more real than any other. The real question is which we take as the foundation of our humanity, and therefore, make the basis of our civilisation.