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Book Review: Beggar Thy Neighbour: A History of Usury and Debt by Charles R. Geisst
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*Beggar Thy Neighbour:
A History of Usury and Debt*
by Charles R. Geisst, Philadelphia: University of
Pennsylvania Press, PA, 2013. Paperback, UK,
£24.99, pp 388, ISBN: 978-0-8122-4462-5

reviewed by

DAVID BELL

The unwitting reader, perhaps hoping for the critique of the injustices of capitalism that the title of *Beggar Thy Neighbour* suggests, may perhaps be disappointed to learn that this is not what Charles R. Geisst, at the time of publication a professor of Finance at Manhattan College, is about. What he does provide is a history of usury and debt in the *longue durée* with, aside from chapter 7 “Islam Interest and Microlending”, a clear focus upon the history of western finance, in particular the United States of America and Britain. Geisst is the author of several other well received works on the history of finance such as *Loan Sharks: The Birth of Predatory Lending* (2017) and *Wall Street: A History* (1997, 2004, 2012, 2018). His career has also spanned the world of high finance as a capital markets analyst and investment banker. *Beggar Thy Neighbour* thus benefits from the high degree of experience in the actual workings of modern capital markets that Geisst has accumulated.

Beggar Thy Neighbour begins with Marcus Junius Brutus, a “young provincial Roman administrator,” chided by Cicero for “lending money in Cyprus at four times the maximum rate stipulated by Roman law.”¹ This rather sets the tone for Geisst’s vision of the history of modern financial markets, namely beginning with the Roman Empire and its laws and progressing through a series of continuous stages toward the present

day. Geisst also joins a long tradition of taking the figure of Brutus, better known for his assassination of Julius Caesar in the Roman senate, as a figure of huge symbolic and historical importance. Of course, many in the United States, being consciously modelled in its genesis on the Roman Republic, prized Brutus for his role in toppling the tyrant Caesar. John Wilkes Booth famously claimed to have shouted “Sic semper tyrannis! (Ever thus to tyrants!) The South is avenged” upon his assassination of Abraham Lincoln, joining a tradition endemic to American discourse of deploying the history of Rome as rhetorical ammunition. That is not to say that Geisst doesn’t provide a relatively convincing argument for this choice of starting point, however it can feel a little tiresome for the reader looking for a history of the phenomenon of usury which does not resort immediately to the stale narrative of, as it were, from ancient Rome to the White House.

Geisst then proceeds with 8 chapters—roughly chronological and beginning with biblical references—which trace the history of usury and debt over 3000 years. Through this the point is made that the abuse of debt and usury, though consistently identifiable in monetary societies, are perversions to, rather than central to, the ‘natural law.’ Geisst writes that notions of fairness and equality have “transcended ancient, medieval, and modern societies.”² In some ways Geisst’s is a universalised

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conceptualisation of the history of the world. This is undermined by his overwhelming focus on Britain and the USA as well as his chapter on Islam, which I will come to later. It might well be pointed out that, in devoting only the first two chapters to the period before the Protestant Reformation Geisst undermines any conclusions he might wish to draw about the similarities between ancient societies. Evidently his area of expertise and where he excels is the modern history of finance, it might therefore have been worthwhile to begin *Beggar Thy Neighbour* later rather than attempt such a wide scope. As it is Geisst's argument seems vulnerable to criticism by specialists, particularly of ancient and medieval history, although this is true of virtually any work with a comparable timeframe. As it is, Geisst's chapters do provide interesting vignettes from earlier history, in particular his exploration of the origins of Roman law pertaining to usury, even if the ancient and medieval periods go by surprisingly quickly. It should be pointed out that this will be especially true for the very casual browser who picked up *Beggar Thy Neighbour* based on the 16th century painting used as the cover piece.

Geisst writes that with the Protestant Reformation "practicality finally began to win the usury debate and capitalism emerged from the shadows of church dogma."³ If Roman law was, to Geisst, central

to the modern definition and understanding of usury, centuries of Christian dominance by the Catholic church only curtailed its development. Again, here the accusation could be levelled that this is a typical narrative of American history. 'Progress' in this case the unfettered explosion of capitalism could only be made possible by Protestantism, exploration and growth. Even as he argues for Protestant exceptionalism Geisst gives examples of developments to lending and usury under Catholic rulers, for example the "tontine" of Lorenzo Tonti in Louis XIV's France.⁴ Discussion of the interconnectedness of financial thinkers in this period seems lacking, although Geisst frequently discusses the movement of British and American thinkers he stops short of acknowledging the huge movement of financial expertise between the Protestant and Catholic worlds, divisions he might assess more critically had he done so.

On 'exploration' and growth Geisst gives a troubling narrative of European expansion driven by Malthusian concerns over resource scarcity and population growth.⁵ While Geisst is happy to argue that the needs of expansion were central to the development of financial systems, he pays little attention to the human costs of expansion at the expense of native populations and to a great extent on the backs of slave labour. Of course, it could be argued

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that this is not the aim or remit of the book, however even a short history of western expansion, foregrounding a more specific discussion of financial methods, which excludes the human cost of this period should surely be problematised in the 21st century. Given that the title *Beggar Thy Neighbour*, a term coined by Adam Smith in the *Wealth of Nations*, alludes to the practice of economic policies which benefit one country at the expense of another, the gaps in this history of colonisation and exploitation seem all the more remarkable. The exclusion of slavery and conquest, aside from inter European wars, as primary factors in Geisst's work, in a similar fashion to the centrality of Brutus, strengthen the argument that *Beggar Thy Neighbour* provides a white-washed history of modern financial systems. This also highlights a criticism that can be levelled at Geisst throughout that he focuses overly on financial methods and theoretical publications, rather than, as it were, on the 'nitty gritty' of lived experience.

In Chapter 4 "The Great Experiment" Geisst follows developments in Britain and the United States as usury laws were gradually repealed, as well as through frequent market crashes almost from the outset of this experimentation. Here too the main thrust of Geisst's argument is that morality gradually lost its supremacy in determining the legal controls over usury in favour of economic reasoning. This chapter provides interesting insight into a highly

experimental period, corresponding to the 19th century, in which Britain and the United States effectively dipped their toes into processes which would become crucial to the history of the modern world. Here there is a sense that Geisst has entered a period in which he is far more comfortable, and the arguments become less generalised and more specific and based in close use of source material. Geisst provides engaging descriptions of individual actors and their personalities. One criticism that could be levelled is that most of the chapter is limited to the Anglophone world and it does feel a little as though the picture narrows at a time when world economics were more, rather than less, crucial to developments in Britain and the USA.

In chapter 7 Geisst throws something of a curve ball, writing about the history of usury and debt in Islam. Unfortunately, here again specialists will very likely be frustrated. For example, Geisst writes that by the 2000s "in the developing world, and in the Islamic world in particular, not much had changed for centuries."⁶ Consciously or unconsciously Geisst deploys a number of problematic notions about "the Islamic world." For one thing he suggests a monolithic unity and separation from 'the rest' of the world. He also alludes to the argument that Islamic societies are 'stagnant' or 'behind' in terms of modernisation. Finally, he suggests a disconnectedness of the 'Islamic'

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world from the shaping and effects of Western finance which ignores centuries of peaceful and violent interconnectedness. Take for example the heavy involvement of Western finance in the Ottoman Empire throughout the nineteenth century. The Ottoman sultans borrowed heavily on world financial markets while simultaneously claiming the spiritual leadership of Sunni Islam. Geisst mentions the Ottomans only to state that their experience of borrowing on world financial markets “was new.”⁷ In fact Geisst seems to view western finance as having been placed upon the Islamic world with virtually no influence in the other direction. To make the claim that the ‘Islamic World’ had not changed for centuries *in the 2000s* seems ludicrous and flies in the face of a vast body of research in different fields. This chapter is demonstrative of the *Beggar Thy Neighbour’s* greatest flaw, that the scope is unnecessarily and damagingly wide. Instead, a chapter dealing explicitly and more critically with Islamic finance in the 20th and 21st centuries, particularly at this late stage in the book might have been much more productive. The early history of Islamic finance might and probably should have been incorporated into the early chapters on the same phenomena in Christian and Jewish societies. As it is Geisst turns what could have been a productive inclusion into a chapter which supports outmoded arguments

about the regressive effect of Islam and the false separation and backwardness of the Islamic world in global economic history.

Overall *Beggar Thy Neighbour* predominantly presents a history of the emergence of modern financial methods. Geisst demonstrates an impressive knowledge of modern finance as well as a very history of earlier periods which is enjoyable to casual reader. However, the grand scope of the work, as well as its insistence on the basic fairness of natural law, as opposed to the abuse of usury and debt, leads to some frustrating shortcomings. Specialists of various periods will surely be frustrated by the lack of detail and attention given to various, particularly earlier and non-western, subjects. The chapter on Islam is demonstrative of this as what could, and should, have been a profitable addition to multiple chapters, serves to perpetuate harmful notions such as the monolithic, unchanging, and regressive nature of Islam and the Islamic world. *Beggar Thy Neighbour* is at its most comfortable discussing the ins and outs of modern financial methods and in the colourful lives of, mainly white male, financial movers and shakers. It seems a shame to recommend that an author reduce their scope according to their expertise, but *Beggar Thy Neighbour* certainly demonstrates why this is sometimes not such a bad idea.

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