

## Referee Report on

*Michael Hudson and Charles Goodhart (2018). Could/should Jubilee debt cancellations be reintroduced today? Economics Discussion Papers, No 2018-33, Kiel Institute for the World Economy.*  
<http://www.economics-ejournal.org/economics/discussionpapers/2018-33>

This is an interesting paper reviewing the ancient history of jubilee debt cancellation, especially in pre-Roman times. The paper starts by summarizing the historical experiences with debt cancellations and then discusses whether such an approach would be viable today. The authors conclude that debt cancellations in its traditional form would not be a fair or efficient policy in today's economic and financial system. However, they see the need for policies that are in the same spirit and aimed at the same purposes, in particular (i) housing credit support by the state (facilitating property ownership for the broad population), (ii) financial support for SMEs, (iii) moving from student loans to student equity, or (iv) lump sum transfers for newborns. The money to finance these initiatives (they refer to them as efforts to "replicate" jubilee debt cancellations) could come from a value based land tax.

I enjoyed reading this thought-provoking piece and think it clearly deserves to be accepted, but I have several recommendations for improvement.

- The introduction is very brief and does not make sufficiently clear what is to come (the same is true for the abstract). In particular, I was surprised when I realized that more than half of the paper is about alternative schemes for redistribution and financial relief (pages 12-25 of 28). The focus on jubilees in the title, abstract and introduction hides a large part of what the paper is about, namely alternative relief and support schemes. This is a pity since reader's not interested in jubilees in a narrow sense might be discouraged to read the piece. I would emphasize this part more, also because the draft was submitted as "Global Solutions Paper" and you do propose solutions (which remain somewhat hidden).
- I missed a "go to" reference to a historical book/source on debt jubilees. The paper reviews the history of debt cancellations in a very brief manner. If I wanted to dig deeper, what are the one or two books or papers on historical debt cancellations that I should pick up? Where can I learn more about this fascinating topic?
- I missed a reference to modern debt relief initiatives and consumer/housing bankruptcy policies.
  - Will Dobbie has looked at consumer bankruptcy in the US <https://www.aeaweb.org/articles?id=10.1257/aer.20130612> (the abstract starts tellingly: "Consumer bankruptcy is one of the largest social insurance programs in the United States"), while Martin Kanz has worked on "India's Agricultural Debt Waiver and Debt Relief Scheme, one of the largest household-level debt relief initiatives in history." <https://www.aeaweb.org/articles?id=10.1257/app.20130399>. There is also a large policy literature on debt relief for overindebted homeowners, especially in the wake of many such initiatives after 2008, e.g. in Ireland or the US.
  - These policies are closely linked to what the authors are discussing for ancient times and I think the paper would benefit from emphasizing that there are (much less ambitious) debt relief programs today. How do historical jubilee experiences compared to these modern schemes of personal debt relief?
- Quick readers might appreciate a table summarizing the main jubilee debt relief events in history, e.g. by empires/eras and type. I am thinking of a quick overview where and how frequent these jubilees occurred.