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Debt, interest, and effective altruism: Critically evaluating Singer's utilitarian ethics in the context of contemporary economics

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Abstract
This paper critically evaluates Peter Singer's effective altruism (EA) from the perspective of economic justice. It argues that the focus on individual charitable actions may overlook the structural causes of global poverty, particularly the systemic role of interest-bearing debt. While Singer's utilitarian framework prioritizes measurable and cost-effective interventions to alleviate suffering, this paper contends that such an approach, when overly concentrated on quantifiable outcomes, may hinder long-term justice and reform. Drawing on historical, ethical, and contemporary economic insights, the paper highlights how modern debt structures perpetuate inequality and moral harm. It proposes that effective altruism must expand its focus to include advocacy for systemic change, such as debt relief, financial regulation, and institutional reform, in order to maintain ethical adequacy and genuinely address global suffering.

Keywords: effective altruism, Peter Singer, poverty, individual vs structural

Peter Singer's utilitarianism: A contemporary perspective

Peter Singer is arguably the most well-known modern representative of utilitarianism, recognized for applying utilitarian ethics to pressing issues such as global poverty and animal welfare. In this overview, I will briefly introduce his mature views on utilitarianism, focusing on his contemporary ethical framework as presented in publications from the last decade (2009; 2015; 2017; 2023). Understanding his position is crucial for grasping the foundations of effective altruism. However, this paper will also address a broader question: does the emphasis on measurable outcomes in effective altruism risk overlooking the structural economic causes of global poverty?[2]

Peter Singer's ethical thought is deeply rooted in the classical utilitarian tradition, influenced by philosophers such as Jeremy Bentham, John Stuart Mill, and Richard Mervyn Hare. His uncompromising consequentialist stance was prominently highlighted in his groundbreaking book, *Animal Liberation* (1975), where he applied the principle of equal consideration of interests to non-human animals. Inspired by Henry Sidgwick, Singer advocates for a universal perspective, arguing that the interests of each being should be weighed equally (De Lazari-Radek & Singer, 2014, pp. 241–284). This expansive impartiality has remained a defining characteristic of his work. Singer's approach to global poverty was outlined even earlier in one of his first essays, *Famine, Affluence, and Morality* (1972). In this paper, he illustrated a simple yet powerful principle, inspired by utilitarian reasoning: "if it is in our power to prevent something bad from happening, without thereby sacrificing anything of comparable moral importance, we ought, morally, to do it" (Singer, 1972, p. 231). He introduced the famous drowning child analogy to illustrate this idea, suggesting that from the outset of his writing, his utilitarianism has been radical in its demand for impartial beneficence (Singer, 1972, p. 231). Following this, *Practical Ethics* (1979) explicitly embraced preference utilitarianism, identifying the good with the satisfaction of the preferences of all affected beings. This framework has informed his controversial positions in biomedical ethics (Singer, 2018).

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[2] On this point, Rubenstein (2016) critiques effective altruism's tendency to sideline political advocacy and underlying structural causes. By "structural", I refer to the rules and institutions that govern credit and debt at both the sovereign and household levels, including the design and regulation of microcredit and other forms of consumer lending.

In the past decade, Peter Singer has shown a growing inclination toward classical hedonistic utilitarianism, which focuses on happiness and the reduction of suffering. He also defends the notion that some moral truths, such as the wrongness of causing suffering, may be objective (De Lazari-Radek & Singer, 2017). This represents a shift from subjective preference satisfaction to a more objectivist ethical foundation.[3] Despite this shift, his commitment to impartiality has remained strong, which has set the stage for his engagement with issues of global poverty and the effective altruism (EA) movement.

Singer's impartial perspective was practically expressed in his book *The Life You Can Save* (2009), where he urged readers to take action against extreme poverty. A core utilitarian principle he emphasizes is that distance and nationality should not influence moral obligations; a life is a life, regardless of where it is lived. Singer acknowledges that utilitarian obligations can be demanding and frames them as very demanding, though not impossible. He argues that living up to this standard is feasible and can lead to personal fulfillment. In their later work, de Lazari-Radek and Singer respond to critiques of their position. They argue that while the ethical demands may be high, effective altruism finds a balance. Many individuals donate significantly without sacrificing their well-being and report increased satisfaction as a result (De Lazari-Radek & Singer, 2017, pp. 75–79).

As a utilitarian, Singer not only presents moral arguments but also offers practical guidance. By comparing the outcomes of different uses of money, he encourages readers to contribute where they can make the most significant positive impact. Even if one does not endorse extreme self-sacrifice, Singer contends that we should at least give much more than is typical. He also touches on the effectiveness of foreign aid and briefly addresses systemic injustice (Singer, 2009, pp. 105–125). His utilitarian framework suggests that wealthy individuals and nations have a moral obligation to assist those living in poverty.

While the 2009 book initiated the movement, *The Most Good You Can Do* (2015) illustrates effective altruism (EA) as both a philosophy and a lifestyle. Though it can be challenging to define precisely, EA essentially represents utilitarianism in action. It urges individuals to use reason and evidence to maximize their positive impact. Singer's utilitarian ethics form the moral foundation of this approach. He demonstrates that impartial beneficence is not just a theoretical concept, but can be actively practiced. Drawing on research, he shows that helping others enhances well-being, even for the giver (Singer, 2015, pp. 103–104).

Effective altruism is built on three utilitarian principles: impartiality, maximization, and evidence-based reasoning. Singer emphasizes that the outcomes are more important than the intentions; what matters is not merely feeling altruistic but genuinely increasing well-being (Singer, 2015, pp. 97–104). He proposes a utilitarian calculus that measures the benefits per dollar spent. By popularizing EA, Singer connects utilitarian theory with real-life moral decisions, aiming to show that utilitarian ethics can coexist with fulfilling personal lives.

In *Utilitarianism: A Very Short Introduction* (2017), Katarzyna de Lazari-Radek and Peter Singer explore various forms of utilitarianism. They contrast classical hedonistic utilitarianism with preference utilitarianism, which is the view Singer initially supported due to his skepticism about the existence of objective moral truths. Recently, however, his position has evolved to embrace a greater openness to objective values, such as the intrinsic wrongness of suffering. The authors argue that experiences like suffering have universal disvalue, irrespective of individual preferences. Singer reaffirms the concept of the "point of view of the universe", advocating for an altruistic, outcome-oriented perspective that underpins Effective Altruism (EA) (De Lazari-Radek & Singer, 2017, pp. 42–69).

[3] For insights into Singer's recent move toward objectivism and classical hedonism, see de Lazari-Radek & Singer (2014, p. xiii). In de Lazari-Radek & Singer (2017, p. 47), Singer himself acknowledges his earlier preference-utilitarian view and explains the reasons for this shift.

They also address critiques that claim utilitarianism can justify injustice or rights violations. Singer argues, as he does in *Practical Ethics*, that considerations of rights and justice are compatible with utilitarian reasoning in the long run; violating rights typically leads to negative consequences. While rare edge cases may arise where act-utilitarianism conflicts with moral rules, it is crucial to question the reliability of our intuitions (De Lazari-Radek & Singer, 2017, pp. 88–97).

In *The Buddhist and the Ethicist* (2023), Singer engages in dialogue with a Buddhist scholar, comparing utilitarian thought with Eastern philosophies. One recurring theme in their discussion is altruism and the pursuit of a better world. Singer emphasizes that actions should aim to reduce suffering and promote well-being, grounded in reason and evidence. Both authors agree that affluent individuals have a moral obligation to contribute more to others' welfare, reinforcing the idea that ethical living extends beyond one's immediate community (Singer & Shih, 2023). This book illustrates that Singer's approach to utilitarianism is robust and capable of constructive engagement with other ethical frameworks.

Singer's utilitarianism provides a compelling foundation for Effective Altruism's mission to concentrate on measurable outcomes and maximize the good that can be done. His arguments have undoubtedly motivated many individuals to donate more and to expand their moral considerations. However, as we prepare to critically engage with Singer's ideas from the perspective of economic justice, it is essential to pose a key question: Does EA's emphasis on quantifiable positive outcomes risk overlooking the structural causes of global poverty and inequality? This concern has been raised by several critics who argue that an approach focused on individual charity and cost-effectiveness might neglect or even inadvertently excuse the deeper injustices that contribute to widespread poverty (Gomberg, 2002). For instance, philosopher Paul Gomberg suggests that addressing the symptoms of poverty through philanthropy can be misguided if it distracts from advocating for systemic changes in the global economic order (Gomberg, 2002). Similarly, critics argue that EA, with its focus on aid and intervention outcomes, may inadequately address the need for reforming unfair trade laws, tax structures, or the power imbalances that perpetuate poverty in many countries.

The tension between measuring outcomes and implementing structural changes will be a key focus as we move into the next section of this paper. Singer's utilitarianism presents a strong moral imperative to take action against suffering, urging us to do something tangible and demonstrably effective to help others. The Effective Altruism (EA) movement, largely inspired by Singer, has translated this idea into practice, directing millions of dollars toward fighting disease and improving lives.

However, from the perspective of economic justice, one could argue that achieving true global justice requires not only alleviating the symptoms of poverty but also addressing its root causes, such as inequitable economic systems and power imbalances that cannot be resolved solely through interventions like distributing bed nets or cash transfers. The key question, then, is not whether Singer's utilitarianism acknowledges these systemic issues – because in principle, it can and should if it maximizes well-being. Rather, the question is whether the practical focus of EA, influenced by Singer, has been too narrow or impatient when it comes to pursuing structural change. Does Singer's approach adequately consider the structural causes of poverty, or does it inadvertently overlook them? The next section will delve into this question, evaluating EA through the lens of economic justice and exploring how utilitarian ethics can be integrated with the need for systemic change.

Effective altruism in practice: Singer's utilitarian vision

Peter Singer's utilitarian moral philosophy naturally extends into a call for effective altruism (EA) and resonates with the ethics of global charity. Singer defines effective altruism as both a philosophy and a social movement that uses evidence and reason to determine the most effective

ways to improve the world. This approach encourages individuals to "do the most good they can" through their personal donations, career choices, and lifestyles, all guided by a utilitarian framework focused on maximizing well-being. In his writings, Singer profiles real individuals who have adopted this mindset, illustrating how a results-oriented approach can significantly enhance one's positive impact. He argues that even if a high-paying job (such as one in finance) indirectly causes harm, the overall effect can still be positive if those earnings are used to fund life-saving interventions that outweigh any negative consequences. This thought-provoking utilitarian logic serves as a serious ethical framework within the concept of effective altruism (Singer, 2015, pp. 4–52). For Singer, effective altruism is a manifestation of contemporary utilitarian ethics in action, representing a clear example of how utilitarianism can drive meaningful change. The goals and principles of utilitarianism shape effective altruism's focus on critical issues like global poverty and global health.

De Lazari-Radek and Singer emphasize that evidence-based reasoning is central to effective altruism's utilitarian approach. They highlight the importance of using evidence to determine what actions will do the most good. By comparing and assessing different causes and charities, they reveal significant discrepancies in cost-effectiveness. For example, Singer cites research from effective altruist charity evaluators that shows some charities are hundreds of times more effective than others. Notably, Toby Ord's analysis found that training a guide dog for one blind person in a wealthy country – costing around $40,000 – provides some benefits. However, for the same amount, one could fund surgeries to prevent thousands of cases of blindness (due to trachoma) in developing countries at approximately $25 each (De Lazari-Radek & Singer, 2017, p. 111). This means that donating to prevent blindness through affordable medical treatments can be over 1,600 times more effective (in terms of lives improved) than donating to a typical guide dog program for those in developed countries. Such examples reinforce Singer's insistence that, based on utilitarian principles, we have a moral obligation to direct our altruism to where it can save or improve the most lives per dollar.

Singer's account of effective altruism (EA) centers on three practical commitments: donating to high-impact charities, making ethical consumption choices, and pursuing high-impact careers. Each of these commitments provides a way for individuals to implement the principle of maximizing good in their daily lives. For Singer, these steps represent the transition from abstract ethical discussions to concrete actions (Singer, 2015, pp. 97–104).

At the heart of effective altruism is the practice of effective giving, which can create measurable differences on a large scale. The goal is to donate to charities that utilize funds in the most cost-effective and life-saving ways. Singer argues that we should view donations as part of our fundamental moral decency. To guide our donations, we should rely on research organizations like GiveWell, which evaluate charities and demonstrate how even small donations can significantly improve the health or development of those in need. With the right allocation of resources, we can achieve immense welfare at a minimal cost. Singer aims to normalize regular donations as a moral obligation, framing donating as an ethical duty grounded in the utilitarian imperative to prevent suffering (Singer, 2009, pp. 108–140; 2015, pp. 97–115).

Effective Altruism (EA) goes beyond just monetary donations; it emphasizes making ethical choices to reduce harm and promote good in everyday life. One practical example of this is adopting mindful purchasing habits and lifestyles to positively impact others. This approach involves avoiding luxury and wasteful expenditures so that the resources saved can be redirected to help those in need. The theory suggests that even small, seemingly insignificant expenses, when accumulated, can save many individuals from illness or even death. Utilitarian logic supports the idea of frugality as a means to maximize contributions and ultimately save lives. Ethical consumption is not just about buying less; it's also about spending more effectively. In this context, ethical consumption means selecting products with the intention of minimizing harm. Singer highlights that ethical shopping should be assessed based on its actual

consequences. He advocates for practical decisions, such as supporting employers who pay higher wages and purchasing local products. EA focuses on evaluating the consequences of our actions to reduce harm and effectively promote good through our everyday choices (Singer, 2015, pp. 149–164).

Perhaps the most controversial practice promoted by Effective Altruism (EA) is the encouragement of choosing a career based on potential impact. Singer challenges traditional views of what constitutes a morally worthwhile career by suggesting that pursuing a high-paying job, such as in finance, might enable greater charitable donations and therefore produce more overall good. This strategy is known as "earning to give" (Singer, 2015, pp. 4, 55–65). For Singer, the most important factor is not the intrinsic virtue of a job but its tangible outcomes. While he acknowledges that one should not choose a career solely for income, EA also encourages pursuing careers that are directly focused on solving global issues, such as researching affordable vaccines. Ultimately, the most morally preferable career path is the one that produces the greatest expected benefit for others (Singer, 2015, pp. 39–65; MacAskill, 2014, pp. 269–283).

Singer's approach to EA emphasizes analytical rigor, urging individuals to prioritize charities that efficiently save lives and reduce suffering, rather than assuming that all good intentions have equal impact. This evidence-based perspective has significantly boosted effective interventions, such as expanding malaria net distributions and funding charities endorsed by GiveWell, which have led to concrete outcomes like improved health, reduced poverty, and better education. By treating donations as investments in human well-being and measuring their impact, Singer has introduced a new way of thinking about philanthropy, influencing both foundations and individual donors. His emphasis on individual ethical responsibility has motivated many, particularly young idealists, to actively address global poverty and disease. This movement has inspired increased charitable giving and even changes in career paths. Singer's clear and morally urgent message has led to campaigns like the Giving What We Can Pledge, encouraging thousands to commit substantial portions of their income to effective charities. He has helped foster a culture of intentional generosity. Furthermore, EA's evidence-based approach has impacted aid policies within institutions and governments, notably shaping how aid agencies allocate resources based on cost-effectiveness. These successes highlight Singer's practical ability to transform utilitarian ethical theory into measurable outcomes (Singer, 2015, pp. 13–20, 55–65; De Lazari-Radek & Singer, 2017, pp. 46–52).

Singer's effective altruism and its limits

Singer's effective altruism (EA) is widely acknowledged for its success in mobilizing resources for global health and poverty alleviation. However, it has also faced significant criticism. A notable strand of this critique, developed by several scholars, argues that EA places too much emphasis on individual charitable actions, often overlooking the structural causes of poverty and inequality (e.g. Gabriel, 2015, 2017; Gomberg, 2002).[4] This paper aligns with that critique but seeks to make a novel contribution by examining one of the most entrenched and ethically complex systemic factors perpetuating poverty: the role of debt, interest, and usury in global economic relations. By using this case study, the paper illustrates how EA can overlook

[4] For critiques focused on institutional issues, see Berkey (2018) and Lechterman (2020). My focus here is on Singer's public case for EA and the mainstream practices that stem from it, particularly the emphasis on individual action and measurable cost-effectiveness. I do not claim that all effective altruists ignore policy or institutional reform; some do not. However, I assert that in Singer's canonical presentations, as well as in the typical advice and funding priorities they inspire, structural causes related to debt often take a backseat to more tractable micro-interventions. The argument that follows should be interpreted as a constructive suggestion: to adequately address the causes of poverty, effective altruism needs to incorporate an explicit structural agenda alongside individual giving.

structural mechanisms of injustice and explores ways to expand its framework to better integrate economic reform and systemic advocacy into its moral vision. Singer's framework tends to view global poverty as a problem to be alleviated through efficient aid, rather than as a symptom of deeper injustices within the global economic system. Critics argue that this well-intentioned approach can divert focus away from the systemic issues that keep people impoverished. Political philosophers have noted that Singer's approach primarily concentrates on saving individuals in immediate peril while providing little guidance on how to reform the structures that consistently produce such peril (Gomberg, 2002).

One significant structural issue is the debt traps faced by many developing countries. These nations often allocate substantial portions of their budgets to servicing government debt,[5] leaving scant funds for health, education, or infrastructure (Kalajtzidis, 2025) perpetuates poverty, regardless of the number of NGOs or charities operating within these borders. Effective altruism, which focuses on direct aid interventions, typically does not address international finance or advocate for debt relief (Gabriel, 2015; 2017). Similarly, unjust trade policies and labor exploitation maintain global inequality. Farmers and workers in poorer countries often receive only a small fraction of the value of the goods they produce due to unfavorable trade terms and corporate practices. While Singer's solution of donating bed nets saves lives in the short term, it does not change these trade dynamics that keep communities in poverty. Critics such as Kent and Lazarus (2022) argue that Singer's emphasis on charity overlooks the structural causes of inequality, suggesting that nothing fundamentally can change. They contend that Singer's philosophy risks becoming a moral "band-aid" for a deep-rooted issue, allowing individuals to soothe their conscience without confronting larger injustices (Kent & Lazarus, 2022). Eric Posner has noted the same primary weakness (2015). Long-term poverty elimination will likely require political and economic reforms, including fairer trade rules, stronger anti-corruption measures, better governance in poorer countries, progressive taxation and redistribution, and climate change mitigation. These are collective action problems that demand just actions from governments and global institutions, rather than relying solely on individual generosity. The approach of effective altruism may allow powerful and accountable actors, such as governments, to evade responsibility, potentially creating more obstacles in the long run.

Singer himself has occasionally acknowledged this challenge, suggesting that charity is an effective action in the meantime since attempts at sweeping systemic change have largely been ineffective. However, this response has not satisfied all critics, as it gives off an air of resignation, implying that fundamental change is hopeless and leaving only the option of treating the symptoms.

This debate closely mirrors the distinction made by Amartya Sen in his critique of John Rawls's institutional theory of justice (Kalajtzidis, 2012a). While Rawls focused on designing perfectly just institutions, Sen argued that urgent action to address evident injustices should not be postponed while ideal systems are debated or constructed. For Sen, the existence of preventable suffering and deprivation is not merely a matter for charity; it represents a call for justice and collective responsibility. He also cautioned against allowing acts of charity to replace the need for institutional change (Sen, 2009, pp. x, 262–265; Rawls, 1999). In response to Sen's call for immediate action to relieve suffering, Singer emphasizes individual charity. However, critics contend that by prioritizing charity over the transformation of global structures, Singer's approach risks perpetuating the very injustices he aims to alleviate. Through the lens of Sen's perspective, a utilitarian need not focus solely on immediate and easily

[5] In 2023, developing countries paid approximately $487 billion in external public debt service. The median country devoted 8.6 percent of government revenues to this purpose, up from 4.7 percent in 2010. According to UNCTAD, interest payments are now rising faster than spending on health and education, which limits the fiscal space available for human development (UNCTAD, 2025).

measurable interventions. Once expected value is considered over the long term and across larger population scales, institutional reforms that enhance capabilities for millions over decades can outweigh the more direct but short-lived effects of individual charitable acts.

Real-world case studies highlight the limitations of purely individual-focused aid. A notable example is microfinance programs, which were highly praised a decade ago (Kalajtzidis, 2012b). Microfinance offers small loans to very poor entrepreneurs, often women, and was once celebrated as an effective solution to poverty, aligning with the effective altruist philosophy of evidence-based assistance. The mechanism is simple: microcredit alleviates liquidity constraints and helps families manage short-term financial shocks or invest in durable goods. In practice, however, the outcomes of microfinance have been mixed. In some instances, access to credit helped families start businesses or weather emergencies, but in others, micro-loans resulted in debt cycles for the poor, characterized by high interest payments and no sustainable increase in income. Studies conducted by development economists have found that while microfinance can improve certain household outcomes, it does not consistently lift communities out of poverty, especially when larger issues such as the lack of infrastructure or education remain unaddressed. For example, randomized evaluations of microfinance impact from Compartamos Bank in Mexico indicated higher borrowing and increased purchases of durable goods, yet little change in overall consumption during the first two years. Other studies have also reported small average effects of microfinance on business profits and household consumption over the medium term (Angelucci, Karlan & Zinman, 2015; Meager, 2019). These findings suggest that even well-intentioned, evidence-based interventions have limitations if the broader context – such as the absence of markets, ongoing gender inequality, or macroeconomic instability – is not adequately addressed. Long-term benefits depend on factors like job availability or local government investment in public goods. In the context of microcredit, the design and regulation of loans determine whether they empower borrowers or lead to entrapment. Where screening is inadequate and repayment terms are inflexible, clients may fall into over-indebtedness due to multiple borrowings and collection pressures, as outlined in a CGAP report (2010). While charity can provide immediate relief or medical care, it rarely alters the underlying power dynamics or policies that have made these needs so acute in the first place.

Another critique of effective altruism (EA), based on the limitations of utilitarianism, is that its utilitarian logic may overlook issues of justice and individual rights. It often prioritizes interventions that maximize overall benefits while neglecting marginalized groups or those who are the hardest to help. Iason Gabriel (2015) argues that this approach can systematically exclude vulnerable populations, such as severely disabled individuals, due to the cost-effectiveness of providing assistance. He expands on this argument in Gabriel (2017). Similarly, EA's focus on measurability can inadvertently ignore the complexities of social change and rights claims. A frequently cited case is William MacAskill's discussion of sweatshops and ethical consumerism (2015), which illustrates how aggregate-gain reasoning can justify practices that many consider exploitative or damaging to human dignity.

To be fair, Singer's utilitarian logic does not prohibit structural action. In fact, if a systemic change would create the most good, a true utilitarian should support it. In practice, some members of the Effective Altruism (EA) community have begun to engage more with policy[6]

[6] Using Singer's logic—which includes considerations of scale, probability, and time—advocacy for policy change within EA can be evaluated in terms of expected value. For example, suppose a proposed interest rate cap, with active supervision, would result in affected borrowers being €10 better off per year on average. If two million people are impacted, the total annual benefit would be €10 times 2,000,000, which equals €20,000,000. If the benefits are expected to last for five years, then the total effect could amount to €100,000,000 if the reform is implemented. If your campaign increases the probability of adoption from 10% to 25%, the marginal increase is

and institutional change. However, it's important to note that Singer's own writings mainly emphasize what individuals in wealthy countries can do right now with their resources to alleviate suffering. This narrow focus has drawn criticism for seemingly accepting, or at least not directly challenging, the status quo of global inequality. As a result, EA can be perceived as ameliorative rather than transformative. It aims to make the world less bad within the existing framework, rather than interrogating how that framework contributes to suffering in the first place.

Structural roots of poverty and effective altruism

The persistence of global poverty and economic inequality is not merely due to a lack of individual generosity; it is deeply rooted in the structures of modern finance, particularly in mechanisms involving interest-bearing debt and, in more extreme cases, usury. By "structural", I refer to institutional arrangements rather than individual choices. At the sovereign level, this pertains to how debts are contracted, serviced, restructured, and relieved through laws and policies. For households and students, it relates to borrower protections, interest-rate regulations, bankruptcy and repayment designs, and the public financing of essential services like education and health. In the context of microcredit and other forms of high-cost consumer lending, it involves oversight, interest rate ceilings, underwriting standards, and borrower rights. While approaches like Singer's Effective Altruism (EA) provide powerful strategies for alleviating suffering through targeted, cost-effective interventions, they raise critical questions about whether the underlying economic causes of poverty are adequately addressed. For instance, consider the introduction of enforceable interest rate ceilings alongside active consumer protection supervision as a goal in household credit markets. On a Singer-style assessment, which weighs scale, probability, and time to impact, initiatives like providing bed nets rank very high in terms of probability and speed, yielding significant near-term effects. In contrast, rate-ceiling reforms may have a slower delivery with lower immediate probability but have the potential for much larger, durable improvements in borrower welfare. When focus is limited to what is immediate and measurable, such reforms are often undervalued.[7] As discussed in previous sections, I believe that these core structural drivers of deprivation largely remain outside the agenda of Effective Altruism as advocated by Singer.

Throughout much of intellectual and religious history, charging interest – especially at exploitative rates – was considered morally questionable or even forbidden. Aristotle condemned the generation of money from money as unnatural (Aristotle, 2004), while Christian thinkers like Aquinas categorized usury as a violation of natural law (Aquinas, 2017; Patriarca, 2023, p. 201). These prohibitions reflected a keen awareness of how interest-based lending could become a means of social domination and perpetuate the suffering of the poor. However, with the emergence of early modern capitalism and the Reformation, figures such as Calvin began to legitimize moderate interest as a necessary aspect of commerce and economic growth, provided it did not exploit the vulnerable (Pufendorf, 2003). Enlightenment thinkers and utilitarian philosophers like Jeremy Bentham and Adam Smith further contributed to a new rationale, emphasizing economic efficiency and individual rights over inherited moral constraints. While Bentham famously criticized interest rate ceilings as unjustified restrictions, Smith supported moderate legal ceilings slightly above the market rate (Bentham, 2011; Smith, 1957).

0.15. Therefore, the expected benefit would be 0.15 times €100,000,000, which equals €15,000,000. If the campaign costs €1,000,000, the expected benefit per euro spent would be €15.

[7] This comparison serves as an illustration rather than a full cost-effectiveness calculation. My argument highlights a systematic bias toward immediate and measurable outcomes, not an attempt to reduce structural reform to a single score.

This transformation led to the normalization of interest-bearing debt as a cornerstone of modern financial systems. Yet, recent crises – ranging from mortgage collapses to sovereign debt emergencies and student loan explosions – have highlighted the moral hazards identified by ancient and medieval critics, which have resurfaced in contemporary forms. The normalization of debt and interest has shifted the focus away from questions of justice and human dignity, reducing it to a narrow calculation of repayment and financial performance. Although Singer's EA aims to maximize positive impact by doing the most good, the tradition of justice and human dignity insists that how that good is pursued and whether it honors the rights and worth of individuals is equally important. Thus, the dominance of financial performance metrics, both in economics and in certain strands of utilitarian philanthropy, risks narrowing our moral perspective and oversimplifying complex issues of justice into mere questions of efficiency and quantifiable benefit.

While a consequentialist approach like Singer's rightly emphasizes the importance of providing tangible help to those in need, its excessive reliance on performance metrics may hinder the broader ethical good that could be achieved through a more integrative moral perspective. When effectiveness is narrowly defined in terms of quantifiable outcomes, we risk sidelining essential values such as justice, dignity, and long-term empowerment. These values are crucial not only for alleviating suffering but also for preventing it in sustainable and systemic ways (Kalajtzidis, 2023, pp. 150–153).

The second area of concern is household and student debt. Today, debt permeates virtually every aspect of social and economic life. Households, students, small businesses, and entire nations find themselves deeply entangled in webs of borrowing and repayment.[8] Importantly, debt is no longer confined to entrepreneurial or speculative ventures; it has become embedded within the very foundation of essential needs such as housing, education, and healthcare. This commodification of basic needs exacerbates existing inequalities and often traps the most vulnerable in cycles of dependency and deprivation (Graeber, 2011; Piketty, 2014). The structure of modern finance systematically reproduces and amplifies poverty, making debt one of the primary drivers of contemporary inequality (Sen, 1999, pp. 35–53). Recent financial crises, such as the 2008 mortgage meltdown and the ongoing burdens of student and medical debt in the United States, illustrate the destructive potential of unregulated or poorly regulated lending. In this context, debt serves not only as an economic indicator but also as a decisive factor that limits social mobility, personal freedom, and collective well-being.

Singer's effective altruism (EA) is based on the idea that we should maximize good by saving lives, reducing suffering, and promoting well-being through the most effective and evidence-based means available. This approach has yielded significant results in areas where interventions are measurable and direct, such as combating malaria, providing vaccinations, or distributing basic health supplies. However, the very operational strengths that have made EA influential – its focus on cost-efficiency, quantifiable outcomes, and personal responsibility – also limit its moral reach. By privileging interventions that are easily measured and directly attributable, it tends to overlook the deeper systemic forces that create and perpetuate suffering on a large scale.

While Singer acknowledges that effective interventions may sometimes require institutional or systemic reform, his framework primarily emphasizes what individuals can do in the present. As a result, even though economists widely recognize debt and interest as significant drivers of poverty and exclusion, effective altruism (EA) rarely prioritizes reforms in credit markets, advocacy for debt forgiveness, regulation of interest rates, or collective efforts to reshape financial institutions. Instead, the typical focus remains on interventions that are straightforward

[8] As of 2024, household debt-to-GDP ratios reached 44.4 percent of nominal GDP, and the debt-to-income ratio stood at 83.1 percent (Eurostat, 2024).

and easily evaluated – such as distributing bed nets, funding deworming campaigns, or supporting cash transfers – while the more complex and less measurable work of structural change receives little attention.

The limitations of this approach become evident when viewed through broader philosophical debates, such as Amartya Sen's critique of institutional theories of justice (Sen, 2009). Sen argues that the reduction of suffering cannot be separated from questions about the institutional arrangements that produce and sustain deprivation. Debt, interest, and usury are not merely incidental problems; they lie at the heart of global financial structures that perpetuate disadvantage. Empirical evidence supports the view that debt is a major constraint on individual and collective flourishing. Sen's capability approach emphasizes that true freedom and well-being depend on access to basic social goods like health, education, and housing – goods that are increasingly linked to an individual's ability to take on and repay debt (Sen, 1999, pp. 87–110). When access to these essentials is contingent on a person's creditworthiness or their willingness to accept often-punitive interest rates, the outcome is not empowerment but an increased risk of marginalization and exclusion.

Effective altruism, with its focus on direct aid, may temporarily alleviate suffering by providing health interventions or supporting local entrepreneurship. However, it often fails to address the credit structures and power imbalances that create the need for such interventions. This highlights a critical limitation of Singer's and the EA approach: by concentrating on symptoms and short-term outcomes, they risk overlooking the deeper institutional sources of harm.

Conclusion: Updating effective altruism

To effectively address global justice, the effective altruism (EA) movement must expand its focus beyond merely measurable interventions and directly confront the ethical and political challenges posed by contemporary issues, particularly the roles of debt, interest, and usury. This necessitates incorporating systemic reform into its core agenda. While Singer's framework does not exclude such reforms, it is crucial to note that utilitarian reasoning would support any systemic changes that can be demonstrated to yield the greatest long-term benefits. Unfortunately, the movement he inspired has often been impatient, overlooking the slow, complex, and politically challenging work required for institutional transformation. By renewing its focus on the structural role of interest-bearing debt in perpetuating poverty, and broadening the definition of "effective" interventions to include advocacy, policy change, and collective action, EA can more effectively fulfill its commitment to reducing suffering and promoting human flourishing.

A revised, justice-oriented EA should recognize that while individual charity is valuable, it is not sufficient to address the root causes of poverty and inequality. The movement's agenda can expand to encompass advocacy for economic reform, legal protections, and institutional accountability. This means supporting not only organizations that provide direct aid but also those advocating for fairer lending practices, progressive taxation, sovereign debt relief, and regulations against predatory interest rates. By fostering partnerships with groups seeking to reform financial institutions and trade rules, EA can acknowledge that many harms remain unaddressed without systemic change. Specifically, an updated EA should include advocacy for sovereign debt restructuring and relief, enhanced borrower protections, fair repayment designs for households and students, and rigorous oversight of microcredit and other high-cost consumer lending, which often create debt traps.

This reorientation requires a new understanding of responsibility that connects individual actions with collective, structural transformation. While individuals still have a duty to act when possible, they should also leverage their voices, votes, and resources to support broader campaigns for justice. Effective altruists can, for instance, advocate for national and

international policy reforms, support political candidates or parties committed to economic justice, and engage in movements that aim to reshape the systemic structures that sustain inequality. Over time, such actions could yield the most significant benefit.

Importantly, this approach does not entail abandoning the core strengths of EA, such as its emphasis on evidence, rigor, and impact. Rather, it involves applying these principles to a wider array of interventions, including those whose outcomes may be challenging to measure in the short term – an acknowledged limitation of consequentialist thinking – but are crucial for establishing just institutions.

EA's metrics should evolve to assess not only the immediate outputs of charitable interventions but also the long-term effects of policy changes, social movements, and institutional reforms. Collaborating with economists, legal scholars, and ethicists can help the movement develop more sophisticated tools to evaluate the cost-effectiveness of systemic interventions.

An updated approach to effective altruism (EA) must avoid the temptation to simplify complex issues of justice and human dignity into mere cost-benefit analysis, even though this may be appealing from a consequentialist perspective. By committing to both immediate harm reduction and structural transformation, the movement can honor the utilitarian goal of maximizing good while also addressing the deeper needs for justice and accountability in the fight against poverty and inequality.

In summary, the challenge for effective altruism in the 21st century is to go beyond merely addressing the symptoms of global injustice and to bravely confront its root causes, as highlighted in the paper. By integrating systemic change into its ethical framework, effective altruism can remain a relevant and powerful force for good in a world grappling with persistent issues such as debt, interest, and structural inequality.

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