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Consumer credit and debt

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Abstract: The global crisis that erupted in 2007-8 clearly exposed that debt with financial institutions has become a key element of household social reproduction in most parts of the world. One way to analyse how this situation impacts on people's lives is to investigate the very nature of debt (its 'essence'), which is often conceived as intrinsically violent. However, most anthropologists consider how people manage their debt and take a situated approach to debt in context. Their focus on people's financial practices takes a broad view of consumer credit as any number of monetary debts that households incur to make ends meet. Their examination of how debt is managed within the household points up that consumer credit is often used to sustain meaningful social relations, although this can trigger a debt spiral. This spotlight on how people's financial practices relate to broader historical and social contexts shows that the rise of consumer credit is instrumental in reshaping class, racial and gender relations in their material and moral dimensions, and that people can be found to resist debt in many ways. Although these trends in the anthropological literature make for a rich understanding of debt relations, much could still be done to understand why people in most settings complain about their debts, but do not openly rebel against them.

Introduction

Anthropology has long focused on debt relations, studying the obligations and hierarchies created by transfers of wealth between people, groups and institutions (Mauss 2016/1925; Peebles 2010). Much has been said about the different debt and savings practices that people use to secure their livelihoods and comply with social obligations, especially in contexts of poverty and informality (Geertz 1962; Ardner 1964; Guyer ed 1995; Adams and Fitchett 1992; Villarreal 2000; Villarreal ed 2004; Hillenkamp, Lapeyre and Lemaître eds 2013). Anthropology's interest in consumer credit, however, broadly defined as any number of monetary debts (often termed 'unsecured' due to the absence of physical collateral) that individuals and households take out with financial institutions to make ends meet or for their own subjective well-being, has risen sharply in the wake of the global crisis that erupted in 2007-8.

This renewed interest, often from young scholars, is driven by the fact that people in most parts of the world previously without access to formal financial services have recently been incorporated into the process of financialization, defined as the growing interconnection between people's financial practices, financial institutions and global financial accumulation (Servet 2006). The case of the US subprime mortgage crisis is well known: working class Latino and Black households were offered expensive mortgages to boost consumption at a time when wages were stagnating. A similar scenario played out in Spain, affecting primarily Latin American migrants (Palomera 2014a; 2014b). In the Global South, financialization has been fuelled by the promotion of microcredit initiatives since the 1970s and their growing imperative of profitability since the 2000s, by the 'financial inclusion' policies that served as an apology for microcredit when it became clear that it was not the poverty reduction

mechanism it was supposed to be (Morvant-Roux, Guérin and Villarreal eds 2013), and by the spread of cash transfers to vulnerable populations since the 2000s (see, for instance, Ferguson 2015). Repayment crises have erupted in both northern and southern contexts where financial institutions' interest rates have proved incompatible with people's incomes (Guérin, Labie and Servet 2015). In most parts of the world, then, there is a growing mismatch between monetary income and cash needs due to urbanization-related obligatory expenditure and new consumption patterns, persistent and sometimes growing numbers of expensive life-cycle events, and, in some cases, increasing social mobility aspirations (Servet and Saiag 2013). Everywhere, this mismatch is addressed by a complex juggling of financial practices wherein debts with financial institutions play a major role even as it is becoming harder to make the debt payments.

Anthropologists hence observe that taking out debts with financial institutions has become a key element of households' social reproduction. This raises two kinds of moral questions. Is this new dependence on consumer credit good or bad? And how is it experienced, especially by the working and middle classes?

Essentialist versus situated approaches

Anthropologists answer these questions in one of two ways. The first is exemplified by David Graeber's bestseller, *Debt: the first 5,000 years* (Graeber 2011). This book investigates the very nature of debt (its 'essence'), examining what it is that all debt relations have in common rather than their own contextual particularities. It offers an anarchist reconsideration of classical ethnographies, challenging the morality of the very idea that 'one must pay one's debts': debts should not be paid, Graeber argues, because debt is an intrinsically violent social

relation. Indeed, debt can be used to quantify (and transfer) obligations between people, in the same way as one quantifies ‘the value of pots and chickens’ (Graeber 2009: 123). Yet, for Graeber, personal relations can hardly be quantified and standardized, because every person is immersed in a unique set of social relations outside of which their obligations do not make sense. For obligations between people to be conceived as debts, therefore, we need to ‘rip people from their contexts (i.e. webs of social relations)’ to be able to ‘treat them as if they were identical’ (Graeber 2013: 159). Graeber argues that this has been achieved historically by war and slavery; and that is why debt is intrinsically violent.¹ Graeber’s critique is thus radical: because debt turns every social relation into a market relation due to a long legacy of violence (an argument akin to Harvey’s (2004) ‘accumulation by dispossession’), we should not pay our debts and we need to invent new forms of interdependencies instead.

Graeber’s argument is appealing, because it offers a clear counter-argument to the widespread idea that formal debt should replace informal debt, since the former is intrinsically superior to the latter because it frees debtors from the imbalanced, degrading interpersonal dependencies in which informal practices are believed to be embedded (for a critique, see Mader and Morvant-Roux 2019; Guérin 2019; O’Connell Davidson 2013; and Lainez 2018). Yet the case he puts might be seen as too one-sided: by stressing the violence of debt relations, it does not entirely do justice to one of the key anthropological findings put forward by Peebles (2010), namely that credit and debt are two sides of the same coin, and that while the latter is indeed perceived negatively, the former is usually conceived as liberating and beneficial.

Chris Gregory (2012) is one of the few anthropologists who has tried to explain this ambivalent perception by inquiring into the essence of monetary credit and debt. In order to

¹ “If we have become a debt society, it is because the legacy of war, conquest and slavery has never completely gone away. It’s still there, lodged in our most intimate conceptions of honor, property, even freedom. It’s just that we can no longer see that it’s there” (Graeber 2011: 163-164).

grasp this ambivalence, he argues that we need to clearly distinguish between credit and debt, as they refer to quite different temporalities. Credit is prior to debt. It is something a person has to request, but it can be refused. Credit also implies that individuals project themselves into a speculative future in which they are able to pay their debts and improve their situation. Hence its positive connotation. Debt occurs later, when the credit has been granted: it consists of a schedule of payments due to the creditor. Payments have to be made from the resources of the present-day situation, which can be quite different from the one envisaged when the credit was requested. This is why debt is intrinsically dangerous and feared. (Dalsgård (2017) offers a similar argument based on her field study of Brazilian favelas, although she frames it in different terms.)

While Graeber and Gregory's writings have certainly influenced many anthropologists, most anthropologists have developed situated understandings of the rise of consumer credit rather than an essentialist understanding of debt. They conceive debt and consumer credit as a heterogeneous set of practices with multiple and sometimes contradictory meanings, rather than as a homogeneous block. In order to fully understand how people perceive the rise of new credit instruments, they tend to situate debt relations in their contexts. Among other things, this involves situating consumer credit instruments within the entire set of credit and debt instruments that people use (and thus understanding the particularities of consumer credit), and situating these practices both socially (what kinds of instruments are used by which groups of people, how and why?) and historically in order to situate the rise of consumer credit within the long-term transformation of capitalism. In the following sections, I highlight some of the key findings of these approaches.

Provincializing the US experience: consumer credit and social protection

Most of the anthropological literature on consumer credit is based on field studies conducted on the peripheries of the world economy. This decentring practice has resulted in some distance being taken from the widespread narrative that emerged out of the 2007-8 US crisis and the experience of Western Europe. This narrative conceives the boom of household debt as an outcome of neoliberalism, as governments actively created the conditions that led people to depend on debt for their livelihoods by means of deregulated financial markets, staging wages and government withdrawal from the provision of social protection. This last point is pivotal, because it explains why households have to incur new debts in order to finance key compulsory outlays that were previously socialized such as healthcare, education and housing.

Anthropological research has helped amend this narrative in two respects. First, it suggests that the rise of household debt should be seen as an outcome of the entanglement of different – sometimes contradictory – processes with their own temporalities rather than the linear outcome of specific financial liberalization policies. For instance, Jaime Palomera (2014a) argues that at least three important processes need to be considered in order to understand the eruption of the mortgage crisis in Spain (a crisis very similar to what happened in the US). The legislative changes introduced since the 1980s to boost the growth of the ‘real estate and finance complex’ are undoubtedly key, because they enabled private banks to offer mortgages and then gave them the possibility of selling their loan portfolios on the financial markets (a practice known as ‘securitization’). This explains why mortgages became widely available. Yet in order to understand why the working class resorted massively to these instruments, we need to look back at the housing policies implemented since the Franco regime. In the 1960s,

these policies paved the way for the idea that homeownership was the only viable option for working class households by introducing legislative changes that made rent unattractive and subsidising the construction of affordable housing sold through the publicly owned Spanish Mortgage Bank. These housing subsidies were later phased out, but in the 2000s, mortgages became widely available to the working class, driven by the steady increase in real estate prices and the presence of Latin American migrants who aspired to better living conditions and could raise enough financial resources, despite their low wages, by subletting rooms in their newly acquired flats to newly established migrants. (In the same vein, Rankin (2001) conceives the promotion of microcredit in Nepal as the unexpected outcome of the encounter between NGOs, international organizations and Nepalese civil servants, each pursuing their own agenda.)

Secondly, and most importantly, field studies conducted on the peripheries of the world economy have led some anthropologists to reconsider the relation between consumer credit and social protection. There is no doubt that in countries where governments actively promoted social protection policies after World War II, household debt rose at least in part as a consequence of weakening social protection systems (see, for instance, Palomera 2014a). Yet this is far from the case everywhere. In Chile, for instance, Felipe Gonzalez (2015) argues that working class credit card debts have risen sharply since the mid-2000s in an environment of sustained economic growth. In rural South India, development programmes and policies paved the way for the financialization of subaltern populations along with sweeping agricultural change, Dalit political movements, and shifts in kinship systems and gender relations (Guérin 2019). In rural Mexico, a private credit supply independent of the State developed at the same time as new public policies targeting the rural poor, with both aimed at fighting poverty and reducing the power of local peasant organizations (Morvant-Roux 2019).

More broadly, in many parts of the Global South, the spread of cash transfers to people defined as vulnerable has helped make eligible for credit those people who were previously not seen as creditworthy because of the irregularity of their incomes. In South Africa, the rollout of social grants fuelled a credit boom among the Black populations even as neoliberal economic policies were being put in place and black middle class aspirations running high with the end of the apartheid regime (a situation that Deborah James (2018) refers to as ‘redistributive neoliberalism’). The contrast with the usual understanding of household debt is even more striking when it comes to Brazil and Argentina, where consumer credit boomed in the 2000s and 2010s when informal workers gained access to grants and universal pensions under (centre)-left policies to reduce inequalities (Lavinás 2018; Badue and Ribiero 2018; Saiag 2020).

These examples show that the link between consumer debt and social protection is complex. On the one hand, the vulnerability induced by weak or weakening social protection systems tends to fuel household debt, because consumer credit is often taken out to meet unexpected, compulsory expenditure or to offset a sudden loss of income (Guérin, Morvant-Roux and Villarreal 2013; Saiag 2020). On the other hand, however, the spread of monetary payments by social protection systems helps make the working class creditworthy by giving them a small, but steady income.

An approach focused on people’s financial practices

Anthropologists who take a situated approach to consumer credit focus primarily on how people deal with their debts (Gonzales 2015), taking into consideration all the debts incurred by the household. The focus on the household is driven by the fact that debt is inextricably

linked with social reproduction. In addition, each debt is considered in relation to the full set of debts that people incur, because people juggle different forms of debt by incurring one debt to repay another, such that debts are constantly being weighed up against each other (Guérin, Morvant-Roux and Villarreal eds 2013; James 2014b; Lainez 2018; Gonzales 2015). Anthropologists therefore tend to be sceptical of strict distinctions regarding the nature of credit instruments. They refuse to focus exclusively on informal or formal financial instruments, because in most case studies, the latter have not wiped out the former: wage advances continue in India as a way of retaining the workforce despite a boom in consumer credit and microfinance (Guérin, 2013); impersonal debt networks have flourished on the back of microcredit programmes in Mexico (Morvant-Roux 2009) and Senegal (Perry 2002); South African informal lenders secure their repayments using debtors' credit cards (James 2017); in Chile and elsewhere, people lend their credit cards to neighbours, friends and relatives (Ossandón et al 2018; Müller 2014); and informal loans granted by shopkeepers and rotating savings groups are still widely used in Argentina despite easy access to consumer credit (Saiag 2020; Wilkis, 2015). In addition, ethnographic field studies have shown that people's practices blur any rigid distinction made on the basis of the kind of formal instrument used: microcredit granted for productive investments commonly finances consumption or life-cycle needs (Guérin 2014; Lanzas and Whittle 2017); mortgages are sometimes used to leverage funds in order to finance a small business (Palomera and Vetta, forthcoming), while credit cards or cash advances provided by financial institutions might finance housing improvements; and access can be gained to expensive household appliances through the indiscriminate use of multiple credit instruments (Saiag 2020).

For these reasons, this article considers consumer credit broadly as a set of formal credit instruments used to finance household consumption needs. These needs may be driven by the

necessity to feed and clothe the family, to fund life-cycle events or to improve living conditions with the purchase of certain items, interior decoration or home improvements. Credit instruments include microcredits, credit cards issued by banks, non-banking institutions and retailers, cash advances from financial institutions, loans provided by car dealerships and household appliance and clothing retailers to fund the purchase of a specific item, and even bank loans.

Many anthropologists seek to understand how the growing accessibility of consumer credit worldwide affects its users. One way to answer this question is to look at the elements that people take into consideration when they juggle different debts. How do they decide to use one form or another of credit instrument to make a given purchase? And why do they so often incur a debt to pay another? On this subject, anthropologists have shown that although people carefully take the financial cost of debt and its availability into consideration, they also factor in other concerns because debt always involves social, emotional, relational and moral dimensions (this is what could be called the multidimensionality of debt – see, for instance, Shipton 2007; Guérin 2014; Lainez 2018; Schijman 2019). Some debts are considered degrading and shameful, while others are seen as neutral or even honourable. More often than not, incurring a debt involves entering into specific relations of interdependence, which may be based on political patronage, paternalistic protection, or labour or business ties. This points to why expensive consumer credit might be preferred over cheaper kinds of debt, when it is a way of avoiding degrading social judgement or relationships seen as oppressive (Ducourant 2013; Guérin 2014; Schijman 2019; Guérin, Morvant-Roux and Villarreal 2013).

Another way of investigating the effects of consumer credit is to examine the new elements that consumer credit brings to people's financial practices. Easy access to consumer credit

certainly broadens people's possibilities to negotiate the kind of interdependence they are willing to enter into when they juggle their debts, and therefore to escape those deemed the most oppressive or degrading (Guérin 2014). This could be called the positive aspect of relatively impersonal debts. Yet consumer credit also comes with rigid repayment schedules, as punitive interest and administrative costs are charged as soon as debtors fail to meet payment deadlines (James 2018; Saiag 2020). This exposes debtors to a new danger: that debt and payments will grow due to the sole effect of time, thereby increasing the exploitation of labour.

An ambivalent outcome: On the social meaning of consumer credit

Consumer credit is deeply ambivalent and paradoxical. On the one hand, the particular relationship to time mentioned above can trigger a debt spiral that is very hard to break out of, especially when violence constantly jeopardizes regular repayment plans (James 2014b; Han 2012; Saiag 2020). On the other hand, consumer credit is constantly used, as much as money (Zelizer 1997), to sustain meaningful social relations. In this respect, Clara Han (2012) shows the Chilean working class often uses consumer credit as a resource to care for mentally ill kin, because they can purchase key items that affirm their place in the home. In the Brazilian favelas, wise use of consumer credit and government grants is considered key to being 'a good mother', because the 'small gifts' and electronic appliances it buys enact affection and tend to keep children at home, thus protecting them from the dangers of drug trafficking (Badue and Ribiero 2017). Easy access to consumer credit is also often valued as a way of investing in social relationships with gifts and expensive life-cycle events that would be hard to fund otherwise, either because of their timeframe (Gonzalez 2015) or the astronomical sums involved (James 2014a). More broadly, Ariel Wilkis (2015) argue that assessments of

borrowers' moral standing are ubiquitous in both informal and consumer credit relations, especially when formal employment is scarce, placing people eligible for credit under strong pressure to share credit lines with their kin (see Ossandón et al 2018).

A number of researchers also argue that the relationship between debtor and financial institution is never as impersonal or commodified as it might look, although it is certainly less embedded in labour and kin relations than informal financial practices. In her study of mortgage modification programmes in the Sacramento Valley, Noelle Stout (2016a) shows that debtors felt that the institutions that issued the mortgage they could not repay had a moral obligation to assist them. In addition, lenders' employees were found to sympathize with certain vulnerable debtors and try to act in their favour, despite the orders they received from their hierarchy. Thus, both lenders' employees and debtors consider that financial relations are also social relations based on mutual obligations. Consequently, debtors constantly assess their creditor's behaviour on moral grounds. This can clearly be seen when it comes to renegotiating debts that debtors can no longer repay: in the US, most of the debtors chose to renegotiate debts where they felt that the creditor had not acted in an ethical manner, while they were doing their best to repay other debts in full (Polleta and Tufail 2014). But seeing credit as a social relationship can also work to the advantage of the creditors, for example when Indian microcredit loan officers use their personal relationships and emotional pressure to convince debtors not to default on their loans, despite the microfinance institutions' efforts to depersonalize debt relations (Kar 2013).

Lastly, consumer credit feeds into social relationships through debtors' aspirations for social mobility. In many situations, debt is virtually a prerequisite to fulfil upwardly social aspirations. In South Africa, for instance, people who aspire to be 'Black middle class' have

to contend with hefty financial obligations such as supporting less well-off relatives, investing in higher education and funding expensive life-cycle ceremonies (James 2014a). In many other settings, becoming ‘middle class’ is inextricably linked with a certain view of homeownership whereby individuals have to purchase a relatively comfortable, spacious and decorated home to settle in with their nuclear family and be able to transmit the standard of living to their children (Halawa 2015; Weiss 2014; Vetta 2019). Yet, this aspiration remains extremely expensive to the extent that people have no other option but to take out a mortgage for decades, even if it is not necessarily in their financial interest (Weiss 2014) or exposes them to exchange rate fluctuations (Halawa 2015).

Reshaping class and gender relations

However, social mobility aspirations are often dashed when people have to contend with the way debt works in practice. Everywhere, debt practices actively contribute to the reproduction of social relations often marked by discrimination and inequality on the basis of class, gender, ethnicity or religion (Guérin, Morvant-Roux and Villarreal eds. 2013). In India, for instance, people borrow from different sources and for different purposes according to their caste and class, and the poor and the lower castes pay much more for their debts (Guérin et al. 2013). More broadly speaking, people’s borrowing needs and options and their unequal repayment conditions are such that the conditions required for debt to serve social mobility (such as a stable income and a minimum of social protection) are much more restrictive than people’s aspirations. Yet social relations are far from static, and the rise of consumer credit has certainly contributed to reshaping class, racial and gender relations.

A first way to capture the changes in class relations is to consider who wins and who loses, in material terms, from the rise of consumer credit. The increasing use of debt to make a living may well have created a sharp divide between net debtors and net creditors, with net creditors making material gains from net debtors' dependence on credit (Robbins 2018), but an in-depth analysis of specific situations reveals a more complex picture. In most settings, some kinds of debtors benefit from getting into debt. Upper caste women in India often use microcredit as part of an asset-building strategy to bolster an existing income-generating activity, while other women use microcredit for consumption needs (Guérin 2014). In South Africa, it is not uncommon for borrowers who are able to pay off their debt on time to be hired as employees of their informal moneylender or even to become moneylenders themselves on the basis of their position as intermediaries (James 2018). Most importantly, though, although most debtors transfer a substantial part of their labour income to financial institutions, actual financial exploitation is found at highly variable degrees. In Argentina, people who benefit from strong social rights and protection are much better equipped to meet their monthly payments and hence pay much less for their consumer credit than those who are most vulnerable to unemployment, irregular incomes, health expenditure and the threat of violence (Saiag 2020). Given that stable incomes and social rights are key to meeting repayment requirements, the intensive use of consumer credit by working class households often drives up inequalities whereby those in the most vulnerable situation are financially exploited the most intensively (Chena and Roig 2017).

Financial exploitation is often not the sole outcome, however, in situations where consumer credit has become widely available in a short period of time to people previously denied access to formal finance. While debtors are often aware of the unequal cost they pay for their credit, they also tend to associate consumer credit with a form of inclusion for people

previously excluded on the basis of their class or race. In South Africa, consumer credit became widely accessible to Black people when Apartheid ended, and it has latterly been fuelled by the proliferation of government grants to poor (often Black) households. It is therefore inextricably linked with a new era in which Black citizens can participate in mass consumption and can aspire to leave the townships and become ‘middle class’ (James 2014a). In Argentina, people often express that consumer credit has brought them into ‘the system’ for the first time in their lives, because new and often Mestizo internal migrants now have access to consumption patterns similar to the established working class, and because they have gained access to consumer credit in a context of growing social rights and diminishing income inequalities (Saiag 2020). These examples show that the consumer credit boom needs to be situated in a broader socioeconomic and political context in order to understand this ambivalent feeling of exploitation and inclusion.

The rise of consumer credit also affects the subjective and moral dimensions of class. In the UK, Ryan Davey (2020) argues that the way that debt advisors conceive consumer credit repayment problems is instrumental in the unequal distribution of ascribed worth, which constitutes the moral dimension of class (on the moral dimension of class, see Skeggs 2015). Debt advisors actively participate in a class-based process of denigration, because they consider that all kinds of consumer debt are problematic, with the exception of mortgages seen as a sign of upwardly mobile aspirations. Consequently, it is the poor’s very way of life that is discredited. Working class debtors react ambiguously to negative image, alternating between accepting the morality of debt repayment and rejecting it altogether. By this token, Davey argues, consumer credit helps create a grey area between an ‘abject underclass’ that openly rejects middle- and upper-class morals and people who struggle to conform to the norm by pursuing social mobility. In Greece and Spain, when debt repayment became

virtually impossible for many households in the aftermath of the 2008 crisis, it triggered a complex reshaping of the subjective dimension of class, since the experience of dispossession gave many working class households a much more contradictory understanding of class relations, while they still conceive “the middle class” as a desirable win-win configuration in which inequalities are offset by upward social mobility (Palomera and Vetta, forthcoming).

Lastly, the widespread use of new credit instruments impacts on gender relations. This may take the form of the construction of gender ideologies of creditworthiness that lend substance to the idea that women are more docile and thus more inclined to pay their debts, as in the case of the Paraguayan microfinance industry analysed by Caroline Schuster (2014). As the author argues, the fact that women pay their microfinance debts more often than men is not a gender attribute per se, but the result of an institutional construct whereby loans to women are organized by the formation of large groups of debtors in which each member is responsible for the debt of the entire group, and the existence of a credit bureau that actively sanctions debtors in arrears. Gender relations are also affected by the emergence of new credit instruments, which necessarily change how men and women access money and pay for certain outlays. Gender relations tend to dictate the uses to which money is put within the household, such that men and women do not have the same control over income and are responsible for different kinds of expenditure (Absi 2009; Zelizer 1997: 36-70; Guérin 2011; Johnson 2004; Saiag 2017). Although household financial management practices vary a great deal by place and class, in most low-income settings, women are at the forefront when it comes to incurring and repaying daily debts, since they are responsible for managing the household’s budget, but only control a small fraction of its incomings (Guérin 2014). In this context, consumer credit will most likely target women more than men. This can increase repayment pressure and violence against women by husbands and loan collectors (Rahman 1999) or constrain

women's freedom when debt implies certain rights over the debtor's body (in terms of favours, political mobilization and even sexual services – Guérin 2014). Yet new financial instruments can also typically feed into female financial channels that enable women to bypass existing gender norms (Guérin 2011; Saiag 2017) or even help legitimate new uses of and access to money.

Resisting debt and consumer credit

Although the rise of consumer credit affects people differently, debtors are keenly aware that the broad availability of credit instruments has increased their income transfers to financial institutions, and many of them find it very hard to make repayments. Anthropologists consequently argue that rent extraction via financial means has become an important source of exploitation, in addition to wage labour (Kalb 2015; Robbins 2018). This raises the issue of potential resistance to financial exploitation: when do people resist debt, and how? Robbins (2018: 116) discusses how societies 'are divided largely into creditors and debtors' with opposing interests and suggests that debtors should 'threaten to withhold their debt payments, as labourers have used their power to withhold their labour.' To date, anthropologists have mostly observed intentions to challenge mainstream narratives that associate household debt with individual failure, pressure for legislative amendments to help debtors, and sometimes open confrontations with certain creditors.

In Spain, the Plataforma de Afectados por la Hipoteca (PAH –Mortgage Victims Platform) is a prime symbol of grassroots resistance to mortgages and the financialization of housing. It emerged in 2009 as a social movement and civil society association spearheaded by Spanish and Latin American migrants who could not repay their mortgages and risked losing their

homes and staying in debt for life due to the real estate slump and the particularities of Spanish law (debtors remain responsible for their debts even after foreclosure). The cornerstone of the movement consists of local weekly assemblies where activists and new members discuss how to break out of the individualization of debt and point the finger at bankers and politicians as the ‘real culprits’ of the crisis by sharing life stories and comparing them with analyses of financial market operations (Ravelli forthcoming – on how debtors conceive loan securitization, see Sabaté 2016). The assemblies have also given rise to actions such as seeking information on securitized loans, physically blocking evictions, occupying empty bank-owned buildings and even attacking bank agencies to highlight their responsibility in the crisis. These actions feed into social demands to cancel debts following eviction and turn evicted flats into social housing. Maka Suarez (2017) calls these combined actions ‘revolutionary’, because they fight the idea of housing speculation in an environment where housing has become highly privatized and financialized (see Palomera 2014a).

However, not all anti-debt movements share these characteristics. Marek Mikus (2019) studies two anti-debt movements in Croatia framed in nationalistic and individualistic terms. The Raiffeisen co-op debtors’ group members are middle class citizens who have invested in a holiday home and small business owners who use their properties to leverage funds when they are already highly indebted by taking out variable interest rate loans with Australian Raiffeisen branches. The group’s leaders accuse governments and foreigners of conspiring against honest Croatian citizens by allowing fraudulent bank practices, such as seizing properties whose value largely exceeds the balance of their debts. The Franc Association (FA), on the other hand, targets mortgages whose principal is pegged to the Swiss franc, which have been granted to middle class professionals and civil servants. These debtors have experienced considerable repayment problems since 2008, when the value of the Swiss franc

rose sharply against Croatia's currency (the Kuna). The FA charges that this situation constitutes a violation of consumer rights due to the loan contracts' lack of transparency. The FA has set up its own political party with centre-left ideals in a move to have the legislation amended to be more supportive of debtors. It has also brought class actions. Although these organizations frame their claims so differently, Mikus argues that both the Raiffeisen co-op debtors and the FA have managed to politicize debt issues by showing up the one-sided nature of loan contracts despite the banks presenting them as agreements between equals.

Challenges to debt can also come from individual actions taken outside of the organized debtor movements. In South Africa and Argentina (and probably many other settings), workers with large outstanding consumer credit balances often ask their employers to pay them in cash prevent their creditors deducting payments from their bank accounts (James 2017; Saiag 2020). (To some extent, this practice is the counterpart of the widely documented fact that many people tend not to save in banks, because it would 'dispossess (them) of control over their wealth' and of the social relations they could forge – Guérin et al. 2019; see also Peebles 2014). In South Africa, human rights defenders and some paternalistic bosses have also been known to take advantage of new credit legislation to file lawsuits against fraudulent creditors, and courts have often ruled in favour of the debtors (James 2017). While rulings may protect debtors, the ethnography of court cases conducted by Theodora Vetta (forthcoming) in Greece shows that they do not necessarily openly politicize debt issues, because judges often focus on deciding whether debtors warrant help, rather than seeing the debt relief introduced into Greek law as a right designed to protect vulnerable citizens.

Lastly, anthropologists have shown that ordinary debtors can use online forums to resist the stigma associated with defaulting. In the UK, Joe Deville (2016) argues that debtors use forums discussing the debt collection industry to present debt as a ‘public issue’ rather than a ‘private responsibility’, and to construct a moral collective (debt) subject whose moral value is to oppose the greed of debt collectors. Noelle Stout (2016b) observes a similar trend among ordinary mortgage holders in Sacramento Valley (US), although she adds that forum participants also tend to discriminate between good and bad debtors by condemning those who claim strategic mortgage default and not supporting the claims of people whose way of life is not compatible with middle class citizenship.

Further research

The many trends described above make for a rich understanding of the multiple facets of debt relations. However, it is still striking to note the gap between people’s debt concerns and suffering, as echoed by anthropologists’ accounts of financial exploitation and advocacy for resistance, and the fact that on the ground, large-scale social movements against debt are an exception rather than the rule. I would suggest seriously trying to understand this paradox if we hope to grasp the complexity of financialization: although people may not openly rebel against their debts, they certainly have good reasons to do so and we should try to understand them. That is not to suggest adding another line of investigation regarding consumer credit itself, but rather to grasp the implications as a whole of people’s practices and perceptions, class relations and the institutional environment in which debt relations are embedded.

In this respect, particular attention should be paid to two specific issues. The first lies in examining the material repercussions of defaulting. The Spanish case, where the most active

grassroots anti-debt movement is documented, is exceptional in that debtors appear to have very few options (if any) to escape their debts (remaining in debt to the tune of hundreds of thousands of euros even after eviction) and because defaulting on mortgage debts directly threatens households' social reproduction by divesting people of their homes. Field studies should focus on the different ways and means that people can use to escape their debts (be it be via payments in cash, bankruptcy laws, debt renegotiation or migration, for instance), as it seems that every society needs to organize spaces in which debtors can escape their obligations, on certain terms (Peebles 2012). Yet the Spanish case also raises the question as to how financialization impacts on social reproduction: mortgages are a special case, since it is hard to imagine how a household can reproduce without a place to sleep, eat, wash, and so on, whereas defaulting on a consumer or business loan will not necessarily have such extreme consequences. Examining the material repercussions of defaulting would therefore capture a sense of the urgency people feel when it comes to resisting debt relations.

Second, we need to improve our understanding of how debtors perceive the recent credit booms, in each of the research settings. One way to do this is to analyse the meaning of the expressions debtors use to refer to their experience. This will probably reveal that exploitation is always intertwined with other processes. (Palomera and Vetta (forthcoming), in particular, show that unequal credit relations in Spain and Greece were acceptable as long as they enabled working class households to feel upwardly mobile.) These expressions will also provide insights into the way in which inequalities are legitimized, and sometimes assimilated by debtors: the obligation to repay may be considered a moral obligation, either due to the intense work of de-legitimization of working class debt practices (Davey 2018) or because credit instruments are part of a complex web of kin obligations that reframes their meaning, making it almost impossible not to repay (Schijman 2019; Palomera 2014b). Yet we also need

to situate the rise of consumer credit and other forms of debt in a broader timeframe, because people tend to evaluate their current situation against their past experiences (James 1988: chapter 1). In this respect, Deborah James (2014b; 2018) provides stimulating accounts of how the experience of apartheid has framed the very way in which people engage with finance in present-day South Africa. Nonetheless, we still need to more systematically combine ethnography with history from below in order to disentangle the various intertwined historical processes that have led to growing household debts.

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