Antipode

A Radical Journal of Geography

Susanne Soederberg, *Debtfare States and the Poverty Industry: Money, Discipline, and the Surplus Population*, Abingdon: Routledge, 2014. ISBN: 9780415822671 (paper); ISBN: 9780415822664 (cloth)

Susanne Soederberg's *Debtfare States and the Poverty Industry* (here forward *Debtfare States*) is perhaps the most rigorous historical materialist analysis of the state's role in transforming the "surplus population" into a platform for credit-led accumulation. Drawing on six case studies from the United States and Mexico, Soederberg shows how in the name of "financial inclusion", the "democratization of credit", and "consumer protection", neoliberal states have produced legal and institutional environments where even many moderate-income households cannot afford to live without voluntarily submitting to usurious debt contracts.

Debtfare is the name that Soederberg gives to this normalization of "the reliance on credit to augment and/or replace the living wage or the government benefit cheque" (p.3) that has attended the process of neoliberalization. Imbricated with monetarism, workfare, and corporate welfare, debtfare is proffered by Soederberg as the fourth "core component" of the neoliberal state required to explain the expansion and reproduction of the poverty industry over the last three decades.

For Soederberg, the poverty industry is marked out less by the specific products and services it sells–payday loans, title loans, private student loans, microloans, along with a growing list of other financial "innovations"–and more by its human targets and methods of value extraction. Specifically, in Soederberg's account, the poverty industry refers to the growing market where profits accrue through the "secondary exploitation" of the surplus population. In other words, the poverty industry makes its money by realizing value outside of the realm of production (the site of "primary exploitation") through the exploitation of the unemployed and the underemployed. This is important for Soederberg because monetary transactions in the realm of exchange conceal inequality, exploitation, and domination in capitalist employment and production relations. Following Marx's treatment of the money form, Soederberg holds that acts of exchange, whether the commodities being bought and sold are debt or widgets, tells us nothing about the underlying production relations that might motivate the transaction. In the "community of money" relations appear to be governed by the exchange of equivalents among formally equal parties with the same protections under the law.

This mystification of the money form has three inter-related effects in Soederberg's account. First, the underlying reason for the rise of the poverty industry–overaccumulation–is obscured. Second, because the rise of the poverty industry is a symptom of underlying contradictions inherent in capitalist production relations, simply reforming credit markets and consumer protections cannot ameliorate its marginalizing effects. And, third, any "fixes", spatial or otherwise, provided by the poverty industry can only ever be temporary.

In Parts II and III of *Debtfare States*, Soederberg empirically explores these credit "fixes" in a number of specific markets in the US and Mexico. For Soederberg, the growing reliance of the surplus population on high-cost lending products for social reproduction reflects the imperative of capital to maintain demand and defer crises of overaccumulation in the face of stagnating real wages, and increasingly porous safety nets. The contradictions here are obvious, and this is where the debtfare state plays an important role in managing, and jerry-rigging, the debt fix. The debtfare state effectuates such fixes by [i] dismantling collective forms of self protection, thereby pushing more desperate borrowers towards payday lenders and their ilk, and by [ii] reshaping the law to more effectively discipline the poor, and make sure they pay their debts–for instance, making it much harder to discharges one's debts (no matter how odious) through bankruptcy. Ironically the disciplinary reforms of the debtfare state are usually couched in the language of financial "inclusion" and consumer "protection".

One of the great strengths of *Debtfare States* is its attention to the role of the law in reshaping financial life on the financial margins. However, most of the legal interventions of the debtfare state emphasized by Soederberg are well described as forms of draconian mitigation; they are interventions that aim to defer crisis by "responsibilizing" and punishing the poor. Without more attention to the policy rationales behind the actions of the debtfare state, or to their articulations with processes of financial subject formation, the debtfare state, in Soederberg's account, looks like little more than the mean-spirited executive committee of finance capital.

While there is certainly validity in this depiction, it also misses a lot of important nuance. With debtfare, Soederberg has introduced a concept whose analytical and explanatory potential could be greatly enhanced by integrating it into broader conversations happening in the social studies of finance about market-making, or the financialization literature about financial subject formation.

Debtfare States is about the market-making work being done to regulate credit-led accumulation and to give credit to those "too poor for debt" (Deleuze 1992: 6). Soederberg incisively documents the disciplinary aspects of this project with great acuity. But the notion of debtfare also points beyond discipline to the work being done to craft financial tools better suited to the risks of those called to be self-sufficient debtors, and to produce subjects governable by financial means. *Debtfare States* should be required reading for radical financial geographers interested in role of the state in finance-led accumulation. I make this recommendation not only because of the book's clarity of expression and articulation of a rigorous historical materialist take on the poverty industry, but also because Soederberg's notion of debtfare is a powerful concept that should be applied more widely than the cases explored by Soederberg to the subjectivizing aspects of financialization among the precariat.

Reference

Deleuze G (1992) Postscript on the societies of control. *October* 59:3-7

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February 2015