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Debtfare states and the poverty industry: money, discipline and the surplus population

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conversation regarding how these reforms have translated into real changes. While she truncates the larger issue by focusing almost entirely on gender-based violence, she uses the brief discussion to acknowledge that there is still a long way to go to mainstream gender practices culturally in even the most successful cases of disruption.

These minor faults notwithstanding, Tripp's book is an excellent exploration of how complicated changes to the gender order in postconflict African states were neither smooth nor straightforward. Beyond contributing thoughtful analysis on the changing gender regimes, Tripp's analysis offers detailed narratives about the peacemaking process and its consequences. With this work, she encourages her readers to think about the good that can follow conflict. Concluding the book, she calls upon her fellow scholars to address the ambitious research agenda that emerges out of the project, focusing on women's voices, framing women in peacemaking beyond tropes, understanding the impact of international and transnational peace movements, and addressing the necessity and success of informal peacemaking.

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Susanne Soederberg, *Debtfare states and the poverty industry: money, discipline and the surplus population,* Abingdon, Routledge, 2014, ISBN 13 9780415822664 (hbk), ISBN 13 9780415822671 (pbk), 284 pp

The crisis of 2007–2008 and the highly uneven and politically contentious economic 'recovery' that followed it have accentuated neoliberalism's ability to mutate and adapt itself to new challenges. Throughout the global economy's—or, more specifically, Western capitalism's—slow march back from the brink of collapse, the expansion of credit and the ever-increasing reliance on private debt have functioned as crucial pressure valves with which to mitigate and postpone the deleterious effects of the crisis on households. In *Debtfare states and the poverty industry*, Susanne Soederberg unravels the political and socio-economic mechanisms that have constructed a 'new form of governance' (243) built on the public's reliance on debt and credit. Soederberg adopts a vigorous historical materialist framework to reassert the significance of money in capital accumulation and unmasks how the expansion of credit and state strategies to legitimize social reproduction through private debt have been central to the attempts at counteracting the crisis tendencies of capitalism while simultaneously (and inadvertently) sharpening them.

Divided into three parts, the book sets out by offering an overarching introduction that skillfully summarizes the core arguments. The analytical map that underpins the book comprises three components that are then unpacked throughout three chapters in Part 1. Accordingly, Soederberg proposes to (i) rethink the nature and role of money in capitalist accumulation and 'dispel powerful tropes that normalise and depoliticise debtfare'; (ii) demonstrate how the 'surplus population'—or 'a disposable industrial reserve army' in Marx's description (1976, 784)—figures both as the primary target of and a key resource for strategies that aim to overcome the barriers to accumulation; and (iii) underscore the centrality of the state power and apparatuses in facilitating and legitimizing the circuits of credit-led accumulation (2–3). Soederberg invites the reader, following Marx, to leave the 'noisy sphere' of exchange and enter 'into the hidden abode of production' (Marx 1976, 279), where money can be reconceptualized, not as a natural 'thing' or a mere 'commodity', but as a specific commodity that represents 'the direct incarnation of all human labour' (18) and a concrete signifier that provides a 'quantitative expression of value (socially necessary labour time)' (20). Money, in this account, emerges as a commodity that serves to conceal exploitative class dynamics inherent in capitalist social relations of production.

The discussion of Marx's theory of money is supplemented by a brief re-evaluation of the labour theory of value, which is utilized to differentiate 'primary exploitation'—expropriation of labour power by capitalists—from 'secondary forms of exploitation' which embody exploitation through increased dependency on 'concrete abstractions (e.g., prices, interest rates, credit ratings, etc.)' (23). Credit enters Soederberg's discussion at this juncture, as 'privately created money' that 'serves to absorb the contradictions in the dynamics of capital accumulation' (29, 27). As a form of secondary exploitation, Soederberg highlights credit's function as a 'social relation of power' that further entrenches unequal class relations by creating 'creditors' and 'debtors' (29, 35). Yet the social power and function of money and credit are not limited to masking exploitative class relations. Soederberg, following David Harvey, adopts a specific strand in Marxist theories of crisis which underscores the structural tendency of overaccumulation as a source of recurring crises, and positions credit as a means with which to relieve pressure on the circuits of accumulation.[1] Accordingly, Soederberg claims that 'the creation and extension of credit money to low-income workers in exchange for high rates', one of the core tenets of the governance model she labels debtfare, effectively represents a 'strategy employed by capitalists to absorb the tensions of over-accumulation' (27).

The theoretical triarchy is completed with a brief discussion of a Marxist state theory that complements Soederberg's hitherto discussed theories of money and crisis. Echoing Engels' portrayal of the state as an 'apparent mediator' (*die Staatsgewalt als scheinbare Vermittlerin*) (Engels 1962, 167) between competing classes, Soederberg argues that the state is constituted by 'often contradictory and short-sighted class struggles and conflicts that frame, and are framed by, the dynamics of capital accumulation' (48). Rejecting the 'institutional' view that perceives states as 'autonomous political institutions … removed from the dynamics of capital accumulation' (48), Soederberg stresses the centrality of the state in supervising and facilitating capital accumulation and the state's ability 'to intervene into the processes of capital accumulation', albeit in an '*ex post facto*, temporary and paradoxical manner' (48).

In Soederberg's account, neoliberalism emerged from 'the underlying tensions and crises in capital over-accumulation' (50) inherent in Keynesian and import substitution industrialization (ISI)-oriented accumulation models. In response to the accumulation crises and 'social fallouts' that beset these state forms, neoliberalism rose upon a number of 'rhetorical and regulatory' pillars, including 'a withdrawal or abstention by the state in economic matters; the shifting into the private sector (or, the contracting out) of public services and the commodification of public goods such as health, housing, safety, education and culture …' (50). This account of neoliberalization serves as an introduction to her extensive analysis of 'debtfarism' which is located as one of the four elements of contemporary neoliberal governance, along with monetarism, corporate welfarism—also explored in the first half of Soederberg (2010)—and workfarism (Table 1).

Positioned as a 'new form of governance', debtfare is defined broadly as a 'set of rhetorical and regulatory processes aimed at facilitating and normalising the reliance on credit, while foregoing [sic] a material compromise with the working class' which serve to reinforce 'both legally and ideologically, a dependence of the working poor on privately created money' (61, 243). Soederberg makes a causal connection between the rise of debtfarism and the crisis of social reproduction exacerbated by the dissolution of welfare regimes and state-led poor relief as well as long-term unemployment and wage stagnation (139). The interlocking theoretical thread that Soederberg started weaving with her discussions of the theories of money, crisis and the state thus crystallizes in the concept of 'debtfarism'. Parts 2 and 3 shift the level of analysis from the above-outlined conceptual inquiries to a more concrete, historically specific analyses of debtfarism in the United States and Mexico. From Chapter 4 onwards, Soederberg deploys 'debtfarism' to interrogate the credit card, student loan and payday loan industries in US, and financial inclusion and microfinance initiatives as well as the housing market in Mexico. In both country-specific contexts, the diminishing ability of the surplus population to reproduce itself through wages and/or welfare assistance emerges as the common thread that conjoins the analyses of private debt, loan and housing industries. Soederberg simultaneously focuses on the extension of credit to the surplus population and 'the significant role played by the state' in paving the way for normalizing social reproduction-through-debt, thus defying what Ian Bruff has called the 'market versus the state dichotomy' that has long dominated certain strands of International Relations (IR)/International Political Economy (IPE) (128; Bruff 2011). Soederberg examines how the American state has developed spatial and temporal fixes to neutralize the crisis tendencies of the credit system. These fixes have appeared in the form of initiatives that (i) reformed federal and state policies to dismantle interest rate caps and deregulate fees and extra costs; (ii) enforced market discipline with new regulations and legislation that undermine the guarantees of the borrowers—by restructuring bankruptcy law and extending debt repayment periods. On the other side of the coin, Soederberg's analysis of regulatory interventions to curb the worst excesses of the poverty industry also

[1] Incidentally, Soederberg's theoretical discussion often parallels the new German critique of *Capital* (Heinrich 2012), but the author does not engage directly with this literature.

Table 1. Schematic representation of Soederberg's argument

Capitalist production is prone to overaccumulation > Overaccummulation leads to crises (27, 57–58).	
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Capitalists and states attempt to overcome these crises/barriers by interventions (48).	
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Neoliberalism and credit-led accumulation emerged as 'a specific trend in the attempt to overcome those barriers' (3). Neoliberalism comprises four main components:	
Monetarism	Prioritizes inflation control at the expense of tackling unemployment and poverty (52–53).
Corporate welfarism	Refers to a 'state strategy that seeks to meet the needs of capitalist interests through government initiatives such as socialisation of investment risk and debt, subsidies, tax loopholes, loan guarantees and so forth' (56).
Workfarism	Normalises and disciplines the 'relative surplus population' through welfare reform (58).
Debtfarism	'[S]et of rhetorical and regulatory processes aimed at facilitating and normalising the reliance on credit' (61).

reveals the inefficiency and ineffectiveness of legislation that predominantly targets predatory practices rather than the underlying conditions that make those practices viable. As the study reveals, the issues of indebtedness and dependence on credit cannot be resolved without simultaneous interventions to augment workers' wages and to re-establish non-corporate forms of social security. And even then, since Soederberg chastises the debtfare state for not 'providing workers with social protection against market forces through, *at a minimum*, a living wage' (155, emphasis added), it is safe to assume that the author considers living/social wage as a *necessary* criterion to weaken financial bondage, not a *sufficient* one.

Soederberg's main theoretical contribution is positioned both as a historical materialist toolkit with which to study money, credit and indebtedness in the neoliberal model of accumulation and as a critique of a wide spectrum of approaches ranging from poststructuralist treatments of finance and consumerism to those that are often grouped under the aegis of cultural political economy (CPE). This critique is important, not only because it strengthens Soederberg's own analysis, but because it constructs a robust defense of Marxist principles by tackling the time-honoured tradition of charging Marxist analysis with economic determinism and reductionism. Rather than rejecting these criticisms *tout court*, Soederberg shows how the approaches that charge Marxism with economic determinism themselves are guilty of uncritically accepting 'the economic meaning of money' which then results in the naturalization of 'the social power inherent to money and its ability to neutralize, individualize, level and normalize highly exploitative and unequal relations of power between people in capitalism' (7). Soederberg convincingly argues that the critical treatments of finance and money offered by 'Foucauldian and other post-structuralist analyses' fail to move beyond the 'realm of exchange' as they 'assume' rather than 'explain' the roots and role of credit in capitalism by '[separating] the discussion of money from the dynamics of capital accumulation' (7–9, 168). These approaches, furthermore, fail to confront the depoliticization of credit as they '[vacate] the economic forms to study the cultural and social features of credit' (9). Soederberg's dual positioning of her theoretical framework/critique thus provides both a compelling organizational structure for the study and a demonstration of how the approaches targeted by Soederberg are marked by significant lacunae that ultimately result in a fundamental inability to address the core dynamics of contemporary indebtedness and credit-led accumulation.

A related issue that stems from Soederberg's insistence on linking the conditions of indebtedness to accumulation processes is the degree to which the surplus population *does* rely on market-based solutions to guarantee its reproduction. As Elif Karaçimen interjects, 'not all of the use values necessary for the reproduction of the labor force are provided as commodities' (Karaçimen 2016, 259) and those relations that exist beyond the purview of 'the market' (such as the household) as well those that are often classified as 'non-capitalist' (such as forced labour, slavery) can also sustain the needs of social reproduction. The degree to which such 'non-market' processes play a role in the social reproduction of the surplus population undoubtedly is contingent on specific historical and socio-economic contexts, yet the question of incorporating them into the analysis also reflects certain methodological choices, such as whether it is possible to conceptualize 'the household' as a sphere detached/relatively independent from capitalist social relations of production (cf. LeBaron 2010; Fraser 2014) or whether non-free wage labour forms should be seen as integral, rather than atypical, aspects of the capitalist mode of production (cf. Phillips 2013; Rioux 2014). Soederberg's analysis pays considerable attention to the gendered and racialized effects of debtfarism but the focus is ultimately on those processes mediated in/by the 'market'.

The critique of the financialization literature also begs the question of whether 'financialization' as a concept is useful at all given that it attempts to capture processes that Soederberg recognizes as the latest manifestations of a much larger historical development—that is, of capitalism's tendency to generate financial innovations to offset its crises (25–26, 223). Soederberg's critique is important to negate the view that the type of financial innovations we have witnessed in neoliberal capitalism presents an unprecedented shift away from 'real economy' (cf. Duménil and Lévy 2011, 300); yet there is no reason that a concept of financialization, based not on the assumption that contemporary financial innovations are unique in their nature/role, but on the premise that they represent a change in the degree to which 'the financial' facilitates accumulation, cannot be incorporated into Soederberg's framework.

In conclusion, *Debtfare states and the poverty industry* complements the rich theoretical developments in the Marxist IR/IPE literatures by offering a rigorous analytical framework conducive to replication in different socio-economic and spatial contexts. Amidst a global conjuncture marked by increased attention to the questions of inequality and indebtedness as well as by the ongoing debates surrounding basic income and living wage policies in many countries, the book makes a timely and judicious contribution by convincingly repoliticizing the terms of financialization and denaturalizing the conditions of poverty and indebtedness.

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