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THEME SECTION

Managing problem debt in Europe

Financialization, households, and debt apparatuses

Irene Sabaté Muriel and Marek Mikuš

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Introduction to the theme section

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Abstract: This introduction to the theme section proposes the concept of problem debt, understood as household debt deviating from actors' and institutionalized norms about its course, and presents a relational and historical realist approach focused on the practices of marking and managing problem debt. We discuss key emic perspectives on problem debt, agencies directly involved in its management (debt apparatuses), and the interaction of varied understandings, interests and normative frameworks in complex social fields of problem debt management in which states play the leading, but neither monopolistic nor monolithic, role. Finally, we present key findings of the theme section's five case studies of problem debt management in sites of advanced and peripheral household financialization in Northwest European cores and Eastern European semi-peripheries, respectively, and the contrasting patterns that emerge from comparisons among them.

Keywords: Advanced/peripheral financialization, credit–debt, default, Europe, household debt, overindebtedness, the state

The surge in anthropological interest in household debt in the past fifteen years has been closely tied to the Global Financial Crisis (GFC) of 2007–2008 (Saiag 2020), which was triggered by a mortgage crisis in the United States and in turn resulted in many debt crises worldwide. In line with this negative new visibility of household debt, anthropologists often focused on what this theme section proposes to reframe as "problem debt"—cases and categories of debt that deviate from actors' norms and expectations about their course. Examples include defaulting mortgagors losing their property in Spain or California (García Lamarca 2022; Stout 2019) or poor Indians getting trapped in perpetual microcredit debt (Kar 2018). However, we have yet to consider problem debt as an object of study in its own right, beyond the particulars of various suggestive cases and contexts. When, why, how, and by whom is debt recognized as

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"problematic"? And in what ways and with what outcomes do the various actors involved in credit and debt relations manage—cope with, administer, govern, contest—problem debt?

As we explain in detail below, our proposed approach to problem debt makes several contributions to anthropological and multidisciplinary scholarship on household debt. Influential authors theorized monetary debt in an essentialist manner, as a social relationship that always and everywhere has the same social content of domination, exploitation, and violence (Graeber 2011, 2012; Lazzarato 2012). However, most anthropologists tended to complicate this view by ethnographically describing the ambivalence of actually existing debts in their social contexts (Guérin and Venkatasubramanian 2022; Han 2012; James 2014). We follow in the tracks of the latter approach while calling for more theory-building across cases than displayed by existing scholarship. Instead of assuming that debts are inherently and equally oppressive, we suggest pursuing this objective by identifying and comparing the practices of marking and treating debts as problematic, thereby putting the important concern with the "dark side" of debt on a more empirical footing. This necessitates investigating the notions of problem (and non-problem) debt being employed and the perspectives, interests, and actions of involved actors, which add up to rich social fields and variable, un-predetermined trajectories of problem debt. Apart from creditors and debtors, a crucial role in these processes is played by agencies we term "debt apparatuses," which directly intervene in the management of problem debt with a variety of mandates and instruments. The growing presence of debt apparatuses implies the need to go beyond the conception of credit–debt relations as inherently and universally dyadic (Graeber 2009).

The final building bloc of our approach is the concept of financialization, which allows us to position problem debt processes in relation to the increasing proliferation and dominance of finance in recent decades. We stress especially the geographically and historically uneven nature of financialization and how this shapes the conditions for the expansion and management of problem debt in both cores and peripheries of the European macro-region, explored in-depth in our five case studies.

From essentially oppressive to problem debt: Contributions to the state of the art

Following Hadrien Saiag (2020), we can distinguish two broad approaches in recent anthropological scholarship on household debt. The "essentialist" approach takes its name from sweeping theoretical claims about a universal essence of monetary debt. In his seminal work, David Graeber (2011: 13–14, 386–387; 2012) argued that monetary debt is always an inherently exploitative and violent social relation, tracing this to power asymmetries between creditors and debtors, the formalization and calculation of obligations enabled by modern money, the increasing transferability of debt claims based on impersonal market relations, and the hegemonic moral duty to repay backed by the power of the state. In line with this conceptualization as well as the historical setting of the GFC and its aftermath, Graeber consistently described contemporary household indebtedness as a pervasive mechanism of extraction, predation, and oppression of the many by the few (2011: 15, 17, 376–381).

Nevertheless, most anthropologists gravitated to the "situated" approach to debt, which conceives debt as a "heterogeneous set of practices with multiple and sometimes contradictory meanings rather than as a homogenous block" (Saiag 2020: 3). This involves a close empirical study of the usage of particular debt instruments by particular situated individuals and groups, which has already resulted in a robust body of vivid ethnographic descriptions, including major monographs (e.g., García Lamarca 2022; Han 2012; James 2014; Kar 2018; Stout 2019). This scholarship does not seek to idealize monetary household debt as inherently emancipatory or to deny its systematically exploitative and disciplinary features. Rather, it more carefully differentiates and describes the many varied ways situated credit–debt relations articulate these and other potentially relevant features of debt and in which they are experienced and valorized by debtors themselves, not losing sight of the importance of the emic perspective for anthropological analysis.

While we endorse the empirical orientation of the situated approach, we also note its limited achievements in the theorization of debt, by which we mean systematic analysis across and in-between particular cases to identify higher-order patterns and connections and formulate general theses and conceptualizations. Especially in the latter regard, the essentialist approach has been much more assertive, while the situated approach has failed to produce a comparable, simultaneously abstract and forceful, concept of debt of its own. Continuing to add on rich but mutually unconnected case studies entails the risk that the growing scholarship remains unable to advance beyond the recognition of the ambivalences and contingencies of debt in its manifold forms.

To be clear, our ambition is not to formulate a new universal theory of all monetary debt. We engage in anthropological theorization at a more modest, "mid" level of abstraction by identifying one extremely important and widespread category of household debt, without however claiming that this amounts to its universal essence. Namely, we identify and elaborate on the category of problem debt, defined as any debt that is marked and managed as deviating from actors' and institutionalized norms and expectations about the course of indebtedness. The definition includes debts marked as morally reprehensible as well as those defined as problematic within other than primarily moral frameworks and domains, such as legal, financial–economic, or welfarist. By adopting this focus, we take a step away from the deductive conceptualization of all debts as inherently oppressive and toward an inductive study of how many, but not all, debts are socially recognized and treated as problematic.

Epistemologically, our approach to problem debt follows the anthropological perspective of "historical realism" as formulated by Susana Narotzky and Gavin Smith (2006). Similarly seeking to overcome the limitations of community-level studies, they proposed that anthropologists combine three kinds of "attention to reality" and study the co-constitutive relations between their respective objects—the structures and processes of capitalist political economy, institutionalized social practices, and people's interpretations of their social worlds (Narotzky and Smith 2006: 2–6). The latter two are the more typical objects of anthropological inquiry and our provisional definitions have already implicated them as relevant in the present context.

To begin with, our concept of problem debt is pragmatic inasmuch as it stresses that debts become and continue their social life as problem debts through a repertoire of social practices for identifying, governing, coping with, and contesting such debts. Problem debts can be thus understood as a distinct category of debt processes consisting of multiple potential stages, such as borrowing–lending, overindebtedness, default, "soft" collection, "hard" enforcement, and personal bankruptcy, each of which entails its own specific subset of practices.

At the same time, our definition of problem debt implicates also its interpretive and phenomenological dimension—the need for it to be recognized, understood and lived as a deviation from a norm or expectation. Inasmuch as ideas about "normal" or "tolerable" debt are perspectival and plural, so are the interpretations of particular debts as problem debts. For example, debtors may experience what creditors define as orderly repayment as an unsustainable burden and threat to their reproduction and aspirations (Gagyi et al. 2021; Mikuš 2019; Sabaté 2018, 2021), while creditors will see debtors' prioritization of those commitments over repayment as a disruption of expected financial extraction and capital accumulation (Kar 2013; Mikuš 2020).

The contributions to this theme section document various ways in which participants in credit–debt relations mobilize plural and often opposed definitions of problem debt. However, it is important not to obscure the fact that such efforts are far from being equally likely to succeed. In general, how problem debt in any given instance becomes effectively defined is shaped by the degree and form of institutionalization of the definitions being mobilized, the relative power and maneuvering of the parties, and possible overlaps between their interpretations and interests. The capacity of actors to define problem debt is thus constrained by the presence of its objectivized and institutionalized concepts based on observable indicators, which are routinely applied with material consequences (Kofti 2020; Mikuš 2020; Vetta 2022). A crucial role in applying such institutionalized concepts of problem debt is played by debt apparatuses—state and non-state organizations directly involved in managing problem debt through debt collection, debt enforcement, personal bankruptcy, debt relief, debt advice, refinancing, and other practices and procedures.

We suggest that relatively institutionalized concepts of problem debt can be grouped into two broad categories, both of which have been employed, though not always sufficiently distinguished, in the relevant multidisciplinary scholarship (Domurath et al. 2014; Guérin et al. 2014; Niemi et al. 2009). First, legal and legalistic understandings of problem debt emphasize the disruption of orderly repayment (operationalized as temporally graded definitions of arrears and default), which they frame as the debtor's breach of their contractual duty to service the debt, thereby causing an economic loss to the creditor. Such concepts of problem debt are aligned with creditors' interests and are accordingly mobilized by creditors and for-profit debt apparatuses working in creditors' and their own commercial interest, such as debt collection and enforcement agencies seeking to achieve debt recovery and profit from problem debt (Deville 2015; Jovanović, this theme section; Mikuš 2020). However, since this framework is rendered highly effective by being incorporated into and enforced by legal and judicial apparatuses of the state, the definitions of problem debt that it informs are objectively relevant also for debtors, and interpretive struggles focus on more specific issues of the legal validity of the creditor's claim and/or attribution of guilt and responsibility for the outcome, such as in the case of Hungarian foreign-currency debtors (Gagyi and Gerőcs, and Gosztonyi, this theme section).

The second broad category of concepts of problem debt are variants of socioeconomic and welfarist ideas of overindebtedness, which center on repayment deemed excessive or unaffordable from the debtor's perspective and the threats it poses to the satisfaction of material needs and the exercise of economic and social rights by the debtor and their household. Formalized and institutionalized versions of such concepts are typically based on indicators such as excessive repayment burden (as a share of household income) or inability to service debts without repeatedly falling into arrears or lowering one's living standard below an acceptable minimum. Unsurprisingly, debtors and debtor movements are particularly likely to experience and tackle their problem debts within non-formalized variants of this framework, including in cases when the non-repayment framework is being simultaneously applied by different actors including debtors themselves, as documented by all contributions to this theme section but most extensively by Deana Jovanović. Among debt apparatuses, those constituted as part of the welfare state or the third sector, especially debt advice agencies, are most likely to prioritize the overindebtedness framework and accordingly seek to improve the economic situation and overall welfare of debtors (Davey 2022; James 2022; Schwarz, and van der Burgt et al., this theme section). Other apparatuses, such as those tasked with personal bankruptcy and insolvency procedures, have mandates and institutional positions between the legalist and welfarist approaches to problem debt and seek to strike an uneasy balance between them, often with limited success (Saulītis 2022; Schwarz, this theme section). Although such actors are not described in this theme section, another version of such a hybrid orientation is represented by for-profit financial companies that target the market niche of overindebted and defaulting debtors with debt restructuring and refinancing services and claim to enable mutually beneficial compromises between the commercial interests of creditors and the socioeconomic interests of debtors.

Alongside debt apparatuses, creditors, and debtors, other actors contribute to the management of problem debt in more indirect ways. Governments and legislators adopt regulatory frameworks and policies that direct and constrain problem debt management at the micro level (Gagyi and Gerőcs, this theme section). Media shape common sense and public opinion on these issues and validate or exert pressure on public policies (Gosztonyi, this theme section). Debtors' informal social networks also intervene in many problem debt situations and provide support to those experiencing difficulties with repayment, thus confirming their "social collateral" function, which has often made precarious borrowers eligible for credit in the first place (Sabaté 2021; Schuster 2014). Such an involvement may be instigated or demanded by debt apparatuses rather than spontaneous; for example, Dimitra Kofti (2020) described how Greek judges taking decisions on applications for debt relief systematically expected defaulted debtors to first exhaust all possibilities of assistance from their household members and relatives. The simultaneous presence of multiple debt apparatuses and other actors affecting problem debt management confirms that the social relationships of credit–debt are often richer than the creditor–debtor dyad and constitute complex social and institutional fields with tensions and conflicts, but also synergies and opportunities for actors to forum shop and strategize.

As for the most abstract and large-scale dimension of our historical realist approach to problem debt—the structures and processes of capitalist political economy—we suggest that in the contemporary context this can be productively apprehended with the concept of financialization. We see financialization as a simultaneously politico-economic and historical concept that captures and offers a way of understanding the observable recent rise in the scope, complexity, and power of finance at the planetary scale, a part of which is clearly the surge in problem debt and the intricacies of its management. In this regard, we are building on the anthropological relational approach to financialization as outlined by Don Kalb (2020), which is compatible with the historical realist perspective. This approach stresses that financialization is fundamentally social rather than narrowly economic—constituted by social relationships at multiple scales and in multiple domains of social life, from the micro and the intimate to the macro and the public, accompanied by specific forms of governmentality, subjectivity and morality, and riddled with contradictions and antagonisms.

We further develop Kalb's (2020) general point about the spatiotemporal unevenness of financialized capitalism by building on the work by Marek Mikuš and Petra Rodik (2021) on the variegation of household financialization in Europe. The latter is shaped by two sets of core–periphery relations in which financialized households are situated and reproduce themselves—the core–periphery relations of real accumulation, corresponding to the "classical" distinctions in uneven development and world-systems theories between global cores, semi-peripheries and peripheries, and those of financial accumulation, which correspond to the distinction between advanced (mature) and peripheral (dependent, subordinate) financialization in political economy scholarship. Peripheral financialization is defined by its structural dependence on the inflows of foreign financial capital in search of higher profits, typically, but not necessarily from cores (where large quantities of capital have been accumulated while profitability has declined) to semi-peripheries and peripheries. Peripheral household financialization unfolding in Eastern and Southern Europe in recent decades has been additionally characterized by a late start but more rapid progress compared to the settings of advanced financialization, and an increased proliferation of highly exploitative and risky lending practices, which was enabled by fast financial liberalization and underregulation (Mikuš and Rodik 2021: 3–7). In the final section of this introduction, we extend this analysis of variegated household financialization in Europe by considering how it shapes the conditions and practices of problem debt management analyzed in this collection.

To conclude this section, we note that our agenda overlaps with the concept of "debtfare" that Marxist political economist Susanne Soederberg (2014) developed to account for the set of processes and institutions through which neoliberal states facilitate and normalize workers' dependence on consumer debt for their reproduction, and use this dependence as an additional means of labor discipline. States perform this disciplinary function of debt not by creating and governing indebted subjectivities, as Foucauldian debt scholars contend (Lazzarato 2012, 2015), but mostly by forcing debtors to accept increased levels of exploitation in the labor market.

While we share Soederberg's focus on both material processes and the key role of the state in managing problem debt, we depart from her vision of debtfare as a unitary and somewhat Machiavellian state strategy. Instead, we see the increase in problem debt as a predictable dysfunctional outcome of financialization, representing opportunities for further accumulation for certain actors but mostly experienced and framed as an economic, social, and political issue being tackled by a multiplicity of actors with sometimes overlapping, sometimes contradictory agendas. In this vein, the case studies included in this theme section do not go so far as identifying an entirely coherent political agenda of the state that would fully match the interests of (financial and other) capital vis-à-vis household debt. Rather than unconditionally adhering to the goals of the financial industry as in Soederberg's account, the European states examined in this theme section aspire to strike and keep politically sustainable compromises between the interests of unequally powerful actors. While the financial industry continues to exert undoubted structural dominance, states also respond to growing issues with household debt by building the aforementioned variety of debt apparatuses with different conceptions and approaches to problem debt, and these are simultaneously being subject to privatization and outsourcing to the benefit of private and nonprofit sectors, further compounding the inconsistencies of problem debt management. Finally, analysis of state regulation of problem debt must also pay attention to the spatiotemporal variegation of financialization, as developed for our case studies below. Therefore, we contend that states play a key role in the management of problem household debt in a manner that structurally privileges the interests of financial capital, but they neither monopolize this management nor conduct it in a monolithic manner.

Case studies of problem household debt in Europe

The articles in this theme section provide nuanced accounts of how actors act upon problem debt and bring various norms to bear on this growing concern in European societies in the post-GFC era. This focus on practices and norms of problem debt management develops several themes in anthropological scholarship on household debt. To begin with, several authors examined the weight of kin-based moral obligations and gender roles in the attributions of responsibility for the management of debts. Similarly to Maka Suárez (2022) in her study of migrant women struggling with mortgage repayment in Spain, Deana Jovanović reflects on how problem debt constrains social reproduction and future planning in a Serbian post-industrial city with a depressed job market, and how, within such settings, differential responsibilities are assigned to individuals according to gendered and generational logics. In her fine-grained account of one overindebted family, the management of problem debt takes place mainly at the household level and within the kinship network. This reflects an absence of welfarist interventions of state or nonprofit institutions; the only debt apparatuses that the debtors encounter are for-profit bailiffs conducting punitive and merciless debt enforcement procedures. At the same time, exposing the false promise of a legalist neutrality of the latter apparatuses and procedures, they are only rarely accessed by ordinary people and mobilized against more powerful actors, such as in this context by laid-off workers owed wages after industrial restructuring and privatization.

The intertwining of household debt with class formation and strategies of social mobility, including accumulation of social capital, has been highlighted by Deborah James's (2014) account of consumer borrowing by the emerging black middle class in post-apartheid South Africa. In a related but innovative manner, Henry van der Burgt, Joost Beuving, Maurice Gesthuizen, and Toon van Meijl show how debtors in the Netherlands deprived of both economic and social capital tend to get trapped in problem debt processes they metaphorically describe as a "debt maelstrom," while those able to mobilize social relations, especially kinship-based, and assets such as knowledge of dealing with state institutions get the support needed to "slow down" and gradually get out of the maelstrom. In this account, debtors' differential chances depend not as much on the amount of financial debt incurred as on particular alignments of class, kinship, and individual agency needed to mobilize such resources.

As Anna Jefferson (2013) noted for the foreclosure crisis in Michigan, moral assessments of practices and actors implicated in credit–debt relations attribute unequal statuses to different social categories and legitimize certain kinds of debtor behavior. Benjamin Schwarz makes an original contribution to such debates by conducting a ritualistic analysis of two Danish debt apparatuses—debt advice and bankruptcy courts. Through that lens, he shows how, rather than aspiring to remedy problem debt, what is really sought is the symbolical deactivation of the socially disruptive consequences of problem debt by imposing a period of tight control over defaulting debtors' domestic economies, after which they are judged as deserving redemption and reintegration into society. However, the path is only accessible to debtors in relatively better-off positions, while those less fortunate remain stuck in a "permanent liminality" in which they are made to address their problem debt through debt collection and counseling but not offered a path to redemption.

Beyond the scope of debt-related institutions and agencies, moral assessments on debtors and creditors are also produced and reproduced by media discourses that have proliferated after the GFC. Balázs Gosztonyi's analysis of articles on celebrities and ordinary people with problem debts in the Hungarian tabloid *Blikk* reveals that instead of popular media's conventional framing of the issue as one of poor lifestyle choices, which reinforces the hegemonic neoliberal ideology, the article framed problem debt as a matter of hardship caused by debtors' personal misfortunes, structural economic trends, and predatory lending practices followed by abusive collection and enforcement procedures. This was the case especially for ordinary people and to some extent even celebrities, all abandoned by a state that did not provide a way out of indebtedness while granting creditors and collectors further opportunities for financial extraction at the expense of debtors' suffering. Although *Blikk* remained critical of the Fidesz government's handling of the debt crisis, Gosztonyi suggests that its discourse might have contributed to the reproduction of the dominant popular interpretation of the matter that supported these policies and the wider shift to a more national and regulated financial regime under Fidesz.

The Hungarian ruling party's ideological and political uses of problem debt are at the very center of Ágnes Gagyi's and Tamás Gerőcs's article on the crisis of foreign-currency (FX) mortgages in the country. As one of the anti-neoliberal movements emerging in the late 2000s, FX debtors' organizations framed the crisis as a victimization of the Hungarian people by globalizing capitalist forces embodied by Western European banks. At one point, such representations were shared by the Fidesz party eager to seize power and the grassroots organizations defending mortgagors' interests through litigation and public protests. FX mortgages and their holders' repayment struggles thus became a prime political concern, a claim for state protection in the face of foreign capital, and, at the same time, a key aspect of right-wing populist strategies that contributed to Fidesz's ascent to power. Once in office, however, the new government adopted a set of solutions that largely sidelined the interests and demands of now-silenced FX debtors and focused instead on reorganizing the financial sector to the benefit of regime-affiliated domestic capital and enabling a new, more socially exclusive mortgage boom.

Variations and patterns in the management of problem debt

In addition to untangling specific aspects of the social relations around problem debt, the studies in this theme section provide insights into variations and common patterns in the dynamics of problem debt management and the development of debt apparatuses in the settings under study. We contend that these variations reflect the variegation of (household) financialization in these settings and their positions in core–periphery relations more broadly. In our sample, the settings experiencing advanced/mature financialization (Denmark and the Netherlands) are part of the Northwest European core within the world system of real accumulation relations. Here, the decades of neoliberalization and financialization brought about high levels of household debt and its comprehensive penetration of society, but this accelerated debt expansion was preceded by and built on the much longer development of strong domestic financial sectors. As a result, the creditors operating in their home markets were subject to continuous and well-developed regulation by, and mutually accommodative relationships with, these established democratic states. A part of this was the institutionalization of robust debt apparatuses aimed at tackling problem debt, now increasingly affecting also the politically overrepresented middle classes, by extending established welfare state institutions—alongside their moral frameworks—to this problematic. However, inasmuch as their mandates oblige them to seek a compromise between the hegemonic morality of debt and the ethos of social protection, such debt apparatuses are incapable of offering comprehensive and socially just solutions to problem debt. Schwarz shows that, in Denmark, this affects especially the generally worse-off debtors not fulfilling various eligibility criteria for personal bankruptcy, the most effective institutionalized exit from serious problem debt, and instead relegated to debt advice combining registers of financial literacy and therapy. Both bankruptcy and debt advice procedures involve a depoliticization and routinization of problem debt, reducing the agency of debtors to their compliance with procedural requirements and institutional norms. Notably, recourse to social collateral is not taken for granted by either debt apparatuses or debtors themselves, although van der Burgt and his co-authors show that it remains a key resource for problem debtors in the Netherlands seeking to improve their situation through individual and household efforts.

In sharp contrast to that are our settings of peripheral financialization, Hungary and Serbia, which can be both characterized as Eastern European semi-peripheries within global relations of real accumulation. Here, a more recent but more rapid expansion of household debt compared to Northwest Europe was part of peripheral financialization driven by foreign, mostly Western European creditors in search of higher profit margins than in their home markets. They achieved this objective by transferring capital between international money markets and local retail lending markets, but also by exploiting the weaknesses of regulatory and democratic mechanisms in these postsocialist states, where governments and institutions were for the most part willing to turn a blind eye to the creditor's rampant predatory practices (Mikuš 2019: 301–302; Mikuš and Rodik 2021: 21–22). This historically and politically distinctive process has shaped comparatively less developed debt apparatuses, largely limited to punitive and exploitative debt collection and enforcement agencies. These were often staffed by local legal professions, which jumped on the financial expropriation bandwagon in the roles of bailiffs, lawyers, and notaries public. Furthermore, as Jovanović's article shows, various companies contributed to the expansion of the extractive debt collection industry by working with it to recover non-credit liabilities of households, such as utility debts, which are generally more common than in European core regions. In these settings, debt apparatuses offering institutionalized and individualized paths out of or ways of living with problem debt, such as in the Netherlands and Denmark, are absent or marginal. Accordingly, households facing problem debt are more likely to respond by activating social networks and kin reciprocities as resources for debt management and by contesting problem debt in the political and legal spheres (see also Mikuš 2019, 2020). Revealingly, both responses were profusely illustrated also in Southern Europe, another semi-peripheral European region affected by peripheral financialization (Kofti 2020; Sabaté 2021; Suárez 2022; Vetta 2022).

Overall, then, we find that there is a clear association between the forms of household financialization and the position in wider core–periphery relations and patterns of institutional and household-based responses to problem debt. In Denmark and the Netherlands, on the back of long-lived political settlements between the state and domestic financial capital, the management of problem debt has been incorporated into the tasks of relatively robust state and non-state welfare agencies charged with monitoring and normalizing it, if not actually preventing or resolving it, thereby limiting the incentives and scope for contestation. In this respect, we do not identify significant differences between these cases and what has been shown for other core settings of advanced financialization with a more liberal approach to problem debt management and welfare more broadly, such as the UK in the European context, where many debtors place themselves in a "grey area" between default and repayment in the hope of avoiding enforcement indefinitely (Davey 2019). In addition, compared to European semi-peripheries, the societies in the Northwest European core have had longer and more extensive exposure to market-based retail finance, and more recently they have not experienced pronounced episodes of predatory lending comparable to those seen in Eastern and Southern Europe in the run-up to the GFC. All these factors have presumably also contributed to a higher degree of depoliticization and normalization of problem debt. As for the debtors' reliance on their social networks, it is likely rendered somewhat less necessary by the more developed debt apparatuses, while also being less accessible due to the more pronounced individualization of these societies compared to European semi-peripheries.

In contrast to that, we attribute the incentives and opportunities for the politicization of debt in semi-peripheral European countries to the distinctively peripheral nature of household financialization, which was driven by foreign capital in search of higher profits in "emerging" markets and enabled by cooperative local elites. In comparison with the Northwestern cores, this resulted in much more rapid expansion of novel forms of household debt, more pervasive predatory lending practices, and more coercive and exploitative debt apparatuses, all of which has tended to make the individual cases of problem debt more unbearable as well as more transgressive of established moral and legal norms. As has been observed in Southern European countries like Spain (García Lamarca 2022), such politicization may take a progressive and emancipatory form and challenge the pillars of financial capitalism itself, as it has happened during the mobilisations cycle led by the Platform of People Affected by Mortgages (PAH) (see cover photo).[1] But that is not always the case: as Gagyi and Gerőcs (this theme section) show, the originally bottom-up contestations of problem debt in Hungary were embedded in nationalistic interpretations of the economy that stressed one-sidedly the role of foreign capital in predatory lending at the expense of other considerations, and this contributed to the ease with which opportunistic politicians co-opted and ultimately "killed" the debtor movements.

As noted above, the role of the state in all these case studies does not amount to a coherent strategy fully aligned with the agenda of credit institutions aiming at financial expropriation, as in Soederberg's (2014) debtfare states, but rather varied institutionalized attempts to combine the preservation of the financial industry's interests and capitalist social norms with the granting of some rights and protections to disadvantaged social groups. In that sense, the chief initial response of financializing Eastern European states to problem debt—the development of punitive debt apparatuses oriented to debt collection and enforcement—clearly prioritized the interests of the financial industry and the actors profiting from that approach to problem debt, such as bailiffs (see also Mikuš 2020). Public agencies or NGOs providing debt advice or guidance during bankruptcy procedures are still nonexistent or have only been introduced recently, for example in Slovakia in 2021 as an EU-funded project of debt advice centers. In these contexts, bottom-up politicizations of debt may push states to devise new settlements more inclusive of the interests of debtors, whether by passing pro-debtor political solutions to certain categories of problem debt, strengthening the regulation of consumer lending, or reforming and building new kinds of debt apparatuses.

Apart from the link between varieties of financialization and patterns of problem debt management, another general lesson of this theme section is that actors involved in problem debt routinely disagree with and contest relevant norms, values, and ideologies. This leads to frequent tensions in the processes of problem debt management, such as when multiple institutions impose different demands on the same debtor, thus establishing a constant dialectic with the debtor's agency. Debtors, in turn, are rarely completely defenseless in the face of the social and economic forces at play in debt relations, even though these can take highly exploitative forms and seriously threaten debtors' livelihoods. As the anthropological literature has already illustrated (Guérin 2014), no matter how difficult their situations, individuals and households seek and often manage to secure maneuvering space for actively dealing with or contesting their debts, even if they do so to different degrees (Sabaté 2020). In this sense, the articles included in this theme section support a critique of neoliberal narratives about the irresponsible overindebted, but also detect the shortcomings of critical scholarship that assumes a passive internalization of the hegemonic morality of debt by individuals. When analyzed through ethnographic lenses, people's resignification, strategic management, and contestations of problem debt come to the fore in new and suggestive ways.

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Note

1. Spanish bank branch covered with "stop evictions" stickers after a protest by the PAH, L'Hospitalet de Llobregat, July 2013. Photo by Irene Sabaté.

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