

# Debt here, there and everywhere

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Let me sincerely thank all of the contributors to this forum and also the editors for facilitating the opportunity to have this conversation during a period when it was extremely difficult to meet in person. It is a real privilege to have one's work read so carefully and generously. Each contributor not only picks out key insights from my book, but also offers a provocation that take the ideas and themes developed in *Spacing Debt* elsewhere. This is scholarship at its most constructive, and as an author it is extremely rewarding to see my work used in this way. *Spacing Debt* aims to convince readers about the need to theorise debt spatially, while offering them a better understanding about the changes that have taken place in Ramallah, Palestine since 2008. It will appeal to readers interested in debt and finance, and those interested in the contemporary Levant. The book also seeks to be a resource for those thinking 'elsewhere', by which I mean scholars doing research with other concepts and/or in other geographical (and historical) contexts and/or in other disciplinary spaces (and across disciplines). The four responses demonstrate the novel and insightful outcomes that can result when such cross-cutting conversations succeed. Given the ubiquity of credit/debt spacings, but also their differences, interdisciplinary and cross-cultural ways of working are urgently needed in our contemporary worlds. In the remainder of my response, I want to continue the conversation with my four interlocutors by elaborating on some of themes in their responses.

## The state of the state

Jessie Clark, Chiara De Cesari and Kathryn Furlong all draw attention in slightly different ways to the role of states in shaping debt ecologies. Jessie Clark's essay focuses on the ways in which slow

violence is always enfolded in forms of spectacular violence, noting how the 'spectacular state violence and displacement in the Kurdish East accelerates the financialization of everyday life' in part through 'the massive and sudden dismantling of informal networks of economic care, including debt'. As noted in the opening chapters of *Spacing Debt*, both the centralisation of the Palestinian Authority (PA) in Ramallah and the migration of people to live and work in the conurbation are closely entwined with the multiple violences of Israeli settler-colonialism, particularly the massive dispossessions in 1948, 1967 and the second *intifada*. Alongside these spectacular forms of violence, the often more incremental expansion of settlement-colonies (mostly by colonising rural land) and daily experiences of the check-point infrastructure, set the scene for the growth of Ramallah and the slower, quieter violence of living through debt.

Just as slow and spectacular forms of violence are intimately enfolded, Chiara De Cesari asks about the relationship between private and government debt. Kathryn Furlong's contribution usefully highlights how this separation between private and public can nevertheless be theorised in more complex and less differentiated ways (something Melissa García-Lamarca's (forthcoming) analysis of PAH also does). Thinking about this intersection in Palestine presents additional complexities. The PA's 'sovereign' debt, which has remained

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relatively modest when calculated as a percentage of GDP, is complicated by its lack of sovereignty. For example, it doesn't have its own currency and can't 'print' money like some other states can. The Israeli state remains the most important actor shaping Palestinian lives, particularly in the Occupied Palestinian Territories. Since the Oslo Accords in 1993, Israeli settler-colonialism has extended to more fully enrol many other actors in the work of performing Occupation, including multinational organisations, other nation-states and the PA (Haddad, 2016). Chiara De Cesari is right to point to the crucial importance of the PA's dependence on aid and clearance revenues, which fuel the Ramallah debt economy. Aid and clearance revenues fund wages (constituting over 50% of the PA's expenditure), which in turn provide much of the collateral for bank loans. The PA has become a 'service provider of last resort' (Khalidi and Samour, 2011: 10). In such circumstances, it might be provocative to frame the PA as one of the largest and most sustained universal basic income experiments in history. Certainly, its most substantive infrastructural investment has been in people (Simone, 2021). Here the arguments in *Spacing Debt* connect with Kathryn Furlong's invitation to think further about intersections of finance, development and infrastructure.

### Beyond the bank

As Chiara De Cesari notes in her comments, *Spacing Debt* refuses to separate debt and finance from what otherwise might be thought about as the non-financial life. While a substantial body of work in political economy and cultural economy demonstrates what can be gained by analytically isolating debt, too often everything else gets forgotten when broader claims are made. For example, Adkins et al.'s (2020) compelling and highly persuasive analysis of *The Asset Economy*, passes over the reason housing is valued by people in a single sentence. As *Spacing Debt* shows, if we don't understand the different kinds of values and forms of valuation embodied in things like family and housing as a secure place to live, we cannot understand why people would take a sizable loan

to live in a crowded neighbourhood like Um al Sharayet, far from a place that is considered 'home'.

*Spacing Debt* spends a great deal of time thinking through bank debt, which proliferated in Palestine from 2008 onwards, just as many other places experienced a credit crunch and financial crisis. Due to the historic erasure of the Palestinian banking system by the Israeli Occupation, the book traces how bank loans are a relatively novel experience for the research participants. However, there are also many other types of credit/debt systems that exceed banking (and what becomes demarcated as 'formal' finance). Residents borrow money from family, friends, building owners, shop owners and colleagues at work. Many participants who didn't own their property were in direct financial arrangements with their building's owner, effectively purchasing their flat through a form of hire-purchase agreement. A few participants borrowed money from their employers through schemes that in some cases didn't charge interest. Chiara De Cesari asks explicitly about the presence of *jammiyat*, a form of rotating savings and credit association (ROSCA), while Kathryn Furlong finishes her contribution with a discussion of Islamic finance. One participant was a member of a rotating savings and credit group that was organised with colleagues at her workplace. Refugees who had bought property in Um al Sharayet told us about family 'box' schemes – similar to ROSCAs – that had failed for various reasons. The relative absence of these types of borrowing and lending makes sense in a place like Um al Sharayet. The neighbourhood has grown rapidly and relatively recently. Most residents identify as migrants and lack strong social bonds with each other, something that is in stark contrast with life in their 'villages of origin'. The topological extension of family networks and topographic movements between Ramallah and various elsewhere are crucial factors fuelling the investment (both economic and psychological) made when moving to Ramallah, money spent travelling back and forth to attend social events and maintain kinship ties, and assumptions about wealth that relatives living elsewhere make about their family members living in Ramallah.

Following these connections beyond Ramallah was prevented by a lack of research funding, but Chiara De Cesari suggestion to do so is one I whole-heartedly agree with.

As is well known in the literature, in many places ‘informal’ ROSCAs have been imitated and repurposed to serve the microfinance industry. However, as annual reports by the Palestine Monetary Authority (see for example PMA, 2021) show, such practices are relatively small-scale in Palestine. Once again, the specific challenges faced living under Occupation, particularly the intense insecurity of land and property in more rural areas (designated area ‘C’ in the Oslo Accords), help to explain why this is the case. The PMA report cited refers only to Specialised Lending Institutions, a catch all term for credit-making beyond banks. This includes Islamic finance institutions, although some of the commercial banks in Palestine offer Islamic finance products too. 98% of the population of the Occupied Palestinian Territories identify as Muslim, which was mirrored in our small and unrepresentative sample of participants. This didn’t prevent such participants from taking out interest bearing loans. One interlocutor told us a colleague at work had borrowed money to perform Hajj, and even more surprisingly, had not repaid the debt. Like Kathryn Furlong, I am convinced there is a great deal more to understand about lived experiences of Islamic finance, not least the concept of blessed money that participants discussed.

## Agency

*Spacing Debt* ends with an argument about how we might understand the agentic capacity and power of people in Ramallah who are living with debt, settler colonialism and much else besides. I draw on the work of postcolonial theorists to develop a concept of endurance that moves us beyond binary frameworks of power and resistance, as Melissa García-Lamarca notes in her comments. These ideas stem from a long-standing interest, spanning nearly all of the research I have done, in how people get on with things despite the various forces arrayed against them. Like Chiara De

Cesari, I am interested in preventing and/or addressing the problems debt so often creates. As the conclusion of *Spacing Debt* argues, those who live with debt are the true experts in how to proceed (even as they often lack the resources and networks to develop durable solutions themselves). Research participants clearly understood the problems debts caused, even as they made decisions that might seem to contradict this claim. They also understood what debt enabled and the ways in which it tapped into aspirations for a better life. The comparison with other contexts points once again to the need for *geographies* of debt, as Melissa García-Lamarca notes. Such is the protracted nature of the Israeli Occupation and the forms of enduring hardship it enforces, that the resultant debt ecology arguably doesn’t pose the risks that are experienced by people in places such as Spain. For creditors, repayments are often assured through the wage garnishment that is a condition of becoming indebted. Conversely, debtors remarked that banks could never in practice evict people from their homes in Palestine, even if they had the legal right to do so, because of the parallels with settler-colonial dispossession. The regulator – the PMA – has regularly instructed banks to forego the collection of repayments when PA salaries haven’t been paid or, more recently, when Covid-19 lockdowns were in force. All of these processes make the Ramallah debt ecology highly resilient, which is not surprising given the context in which it has emerged. However, the recent de-funding of the United Nations Relief and Works Agency (UNRWA), which provides services including education and healthcare for Palestinian refugees, highlights the precarity of a debt ecology that relies so much on the PA’s budget.


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