



Book review:

Non-Performing Loans, Non-Performing People: Life and Struggle with Mortgage Debt in Spain

Melissa García-Lamarca, 2022

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Abstract

García-Lamarca offers us an ethnography of the disciplining power of mortgage debt in Spain and the political response of La PAH— a grassroots movement for the right to housing— to discriminatory banking practices in terms of race, gender and class and linked to Spain's history of private home ownership. The book takes us from bank branches to PAH assemblies to the everyday life of indebted activists/compañerxs to show how the financialization of housing works on the ground and how people organize and fight back against financial injustice.

Keywords

Housing financialization, mortgage debt, PAH, ethnography, Spain

Melissa García-Lamarca's book (University of Georgia Press, 2022) on the effects of mortgage debt as disciplining power and as sight of struggle is a timely contribution to growing and ongoing debates on the financialization of housing. It is a well-researched book that connects historical debates on housing access in Spain with long-term participant-observation in one of the most prominent movements for the right to housing in recent times, la PAH —or la Plataforma de Afectados por la Hipoteca (Platform for People Affected by Mortgages). She provides a thought-provoking and innovative way for thinking about mortgage debt and the possibilities for collective social mobilization against the financialization of housing.

The book pivots around mortgage default: the moment when mortgages become non-performing loans and those holding them are in turn characterized as non-performing

individuals. The ethnographic component weaves historical perspectives and empirical analysis to illustrate this transformation. Inspired by Marxist scholars and feminist political economy, García-Lamarca develops a Foucauldian approach to mortgage debt power relations to show how financialization becomes a disciplining technology organizing daily life and establishing an individualized sense of credit-debt obligation. The experiences of indebted PAH compañerxs punctuate rich theoretical debates in human geography and political economy to illustrate how mortgage debtors become aware of their proletarianization through collective learnings and direct action. Her intervention goes beyond Marxist understandings of labor relations by highlighting more complex layers of exclusion involved in accessing mortgage credit.

One of its most relevant theoretical contributions to ongoing debates on financialization is the notion of the “differentiated debtor” – a concept attentive to race, gender, and class divides. Specific financial practices, often targeted at non-European migrants, such as variable interests, abusive contractual clauses, and distinct guaranteeing practices, situate her work in a growing anthropological conversation documenting the ways in which debt is entangled in shifting gender, class, and national unequal dynamics. She adds a historical context that connects private property acquisition in Spain to patriotic and catholic understandings of the nation dating back to Franco’s dictatorship.

At a macro level, the making of the non-performing individual is tied to the restructuring of the banking system that destroyed people’s lives. Locally, this was done through the EU rescue plan and internationally, with the arrival of foreign investors eager to buy discounted mortgage debt portfolios (non-performing loans) in which the individuals behind the loans were never a concern. If anything, they were seen as a burden to be “solved” by financial experts. At the same time, debtors were chastised at best as naive but more often as incompetent, irresponsible, and failed citizens.

The book ends on a hopeful outlook with a political claim on the possibilities for transformation afforded by the PAH’s collective action. García-Lamarca advances “a new reading of political subjectivation” to understand how “mortgage people’s positions and identities are reconstituted” through PAH participation. A detailed explanation of the day-to-day practices of the movement illustrates how individual debtors become political actors. Sustained participation is what differentiates García-Lamarca’s argument from Rancière’s in understanding why these practices are not temporary acts but open the possibility for longer term transformation (p. 171). The central argument advanced is that debtors become aware of their proletarianized status through collectively learned practices that have the ability to “disrupt the regulatory and disciplinary power of mortgages” (p. 140).

The book provides a compelling ethnographic outlook on housing financialization from the lived experiences of PAH compañerxs. In my view, one shortcoming is that the Foucauldian-inspired reading of mortgage debt as a disciplining technology sometimes overlooks contradictions and agencies that emerge out of the relationship between banking and householding. The author’s interviews with bank representatives are rich and illuminating, yet their voices and conundrums fade into the background of predatory financial institutions producing a population of disciplined debtors. The book nevertheless

deftly illuminates the PAH's collective force to bring together individual debt problems and disrupt the dominant model of financialized housing. I part ways with the author in thinking that the PAH alone transforms *compañerxs* but appreciate García-Lamarca's openings for new avenues for challenging financial capitalism. I find the book, ultimately, to be an invitation to continue learning from the lived experiences of the people we work and struggle with, and I believe —like the author— that the PAH has been a site of great potential for challenging and changing the social arrangements that currently underpin our economic systems.