

## Where Are You When You Are in Debt?

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SOMETIME IN THE MID-1970S, Jean-Luc Godard remarked that there were two kinds of people on the Left: those who are fighting *against wealth* and those who are fighting *against poverty*. It is a good line, whether or not it is true; it reminds us that radical movements are driven by an array of motives and oriented by divergent aims. Anger toward the wealthy and compassion for the poor do not necessarily join forces in a common cause; in fact, political movements are usually launched before people know what they have in common.

What are the motives and aims at work in the current struggles against debt? On the one hand, opposition to debt has presented itself as a struggle against the *concentration of financial power* and its dominance over both economic and political spheres—in other words, against the monopolization and manipulation of credit markets, underwritten by government guarantees and bailouts. On the other hand, there has been a struggle against contemporary forms of poverty—or rather *impoverishment and control*—which are driven by increasing levels of debt of all kinds, from outright peonage to the grinding dependence on banks, official agencies, loan sharks of all shapes and sizes, and other profiteers who make people pay more and more for being poor.

Does this mean that there is really just one struggle—against credit and debt as such? If you proceed on the assumption that, as Benjamin Kunkel puts it, “generally speaking, the 1 per cent lends and the rest borrow,” then being against the dominant system of credits and debts is simply

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another way of being against contemporary capitalism as a whole.<sup>1</sup> Yet for various reasons, which remain difficult to pin down, the current politics of debt has not played out along those lines.

What we are seeing instead are a series of proposals, not at all confined to the Left, whereby one particular kind or configuration of debt would be reversed or replaced by another kind of debt. For those who wish to be against debt as such, the diverse politics of debt today might seem to devolve into symbolic protests or homeopathic remedies. Yet in the absence of the political means to contest the debt system, or even to budge it a little, we have to wonder what the options are.

To get a sense of the terrain, I would like to sketch three simple models of contemporary debt, building partly on my earlier work. The three models address debt as *system*, debt as *subjectivity*, and debt as *atmosphere*. These models offer a quick way to map the general outlines of the debates, in hopes of revealing where the conceptual blockages are and where the political openings might be. None of these models depend upon economic doctrine or accounting categories; they mark instead the ideological cornerstones or quilting points of the prevailing discourse on debt.

First, debt as a *system*: this is familiar ground. We start with a basic distinction between *private* and *public* debt. Private debt includes everything from personal or household debt to small business loans and corporate bonds: in sum, the whole array of debt in the private sector, supported by the earnings and profit potential of each debtor. It drives the pursuit of private interests beyond immediate resources. Public debt includes all the obligations owed by governments and undertaken in support of the so-called public interest. Whether owed to “internal” or “external” creditors, such debt is backed by the ability of a government to raise revenue, chiefly but not exclusively by the taxation of “persons” subject to its jurisdiction.

Taken as a fundamental conceptual opposition, “private” and “public” organize much of the discourse on capitalism, ranging from legal debates about property to ethical debates about choice and obligation. But we will not get very far if we assume that these terms exhaust the range of meanings. As Greimas and Jameson have shown, concepts defined through oppositions generate a pair of secondary terms that expand and unfold their implications. A “binary opposition,” in other words, always projects a fourfold configuration which maps the “closure” of the semantic and ideological field that is centered on that opposition.<sup>2</sup>

And so we should also speak of “non-private” debt, which includes all the ways in which private interests are supported by public obligations. In the United States, the most obvious examples appear in the form of subsidies, bailouts, guarantees, and structural maintenance, all paid for, both actually and potentially, by the full faith and credit of the government. I call this position *enclosure*, because it treats the spread of the regime of private property as a public good to be supported at all costs.

Finally, we should speak of “non-public” debt, which encompasses the whole range of public goods that are being “privatized,” such as education, health care, and indeed the basic costs of survival. I call this position “exposure” because it is crowded with atomized economic subjects who, after the withdrawal of both welfare provision and communal forms of life, must bear all the costs and risks of social life in the most burdensome way: alone. This condition of exposure, whose emergence has been signaled in recent discussions around “precarity” and “bare life,” marks something like the negation of the negation: whatever might have been enabling or future

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<sup>1</sup> Benjamin Kunkel, “Forgive Us Our Debts,” *London Review of Books*, May 10, 2012.

<sup>2</sup> Fredric Jameson, “Foreword to A. J. Greimas’ *On Meaning: Selected Writings in Semiotic Theory*,” in *The Ideologies of Theory* (London: Verso Books, 2009), 516–33.

oriented about the condition of debt has been turned into a form of immediate necessity all the more implacable because it has nothing to do with scarcity.

With these terms in place, it becomes a little easier to see how the initial opposition between private and public implies and contains, both conceptually and historically, the operations of enclosure and exposure. In liberal capitalism, the relationship between private debt and public debt was imagined as a balance, a social-democratic compromise, or even a virtuous circle: the deficiencies of one could be corrected by the other in the name of the whole. In the neoliberal situation, any such balance, and any such whole, are denounced as illusions. Over and over we see how public austerity provokes an expansion in generalized exposure, while systemic enclosure fuels a ferocious new round of inequality. The pincer movements of enclosure and exposure, in other words, continually undercut the ground on which the fantasy of a private/public compromise could be based. The whole contraption kicks out ever more debt as it spins its wheels in the trough of lowered productivity and diminished expectations.

Now we have reached the crux of the matter: debt keeps growing in every direction even as it all leads into a dead end. It must keep going, it can't keep going, it will keep going. Insofar as the current regime of indebtedness really operates as an "apparatus of capture," every battle against it will be ineluctably drawn into its parameters, as the choice of one or another position within its horizon. If debt always begets more of the same, until debt service becomes the first and last function of the economy, what are our options? Insofar as we think about the debt system in the terms outlined here, even our attempts to imagine a way out of debt will unfold along the same lines: those who emphasize the private character of debt will aim to *pay it off*; those who call on public power will rely on *bankruptcy* or other legal measures; exposed individuals will call for *debt refusal*; and enclosed collectivities will seek to *devalue* the debt itself by debasing the currency in which it was expressed. Recall that we are using the Greimasian model as a diagram of ideological closure: in that sense the model really "works" only when it exhausts the logical possibilities and makes us feel trapped—the mental equivalent, perhaps, of indebtedness itself.

It is customary at this point in discussions like this to turn toward policy prescriptions and political initiatives. I salute economists like Michael Hudson, Robert Pollin, and many others who have drawn up laundry lists of the legislation that would be required to deleverage the economy and to install a regulatory regime capable of reversing its "neo-rentier" orientation.<sup>3</sup> Likewise, I admire the authors of *Occupy Finance* and the *Debt Resistors' Operations Manual* for offering critical accounts of the operations of the financial sector, coupled with practical advice for debtors hoping to escape its clutches.<sup>4</sup> At the same time, the turn to such proposals often presupposes, it seems to me, a clear knowledge of *where we are* when it comes to debt; it is likely to locate the political questions too quickly at one corner of the field rather than traversing the common ground where resistance to the debt system can gather. In order to understand the situation more precisely, I want to ask a somewhat perplexing question: "where are we when we are in debt?"

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<sup>3</sup> See Michael Hudson, "Scenarios for Recovery: How to Write Down the Debts and Restructure the Financial System," <http://ineteconomics.org/conference/berlin/scenarios-recovery-how-write-down-debts-and-restructure-financial-system> (accessed November 12, 2013).

<sup>4</sup> See Strike Debt, *Debt Resistors' Operations Manual* (2012), <http://strikedebt.org/The-Debt-Resistors-Operations-Manual.pdf> (accessed November 12, 2013); *Occupy Finance*, <http://occupyfinancebook.wordpress.com> (accessed November 12, 2013).

It seems obvious to think that public debt puts us inside the space of a nation (or some other political unit), where we are subject to obligations imposed by the state (whether denominated in money or not), while private debt puts us into some configuration of market space, where the competition over resources is constantly redrawing the line between scarcity and surplus. At this level of generality, debt appears as a phenomenon of middle-range economic models, a problem that requires technical monitoring and greater efficiency. Yet the current discourse on indebtedness requires two other dimensions—the subjective and the collective—that cannot be mapped onto the familiar coordinates.

At one dimension, we need a model of something like a *subjectivity* of debt. We are in debt by virtue of living in need of others. I reserve a special sense of the word “indebtedness” to designate this social bond, out of which the present apparatus draws its aura of inevitability. The division between haves and have-nots is inflected by a division between have-to’s and do-not-have-to’s: the default form of subjectivity of our time binds together those who have to work and those who have to go into debt. We embody debt in sickness and in health, we dwell in debt by having a place to call our own, and we inherit and transmit debt by teaching and learning. To the degree that all these needs are provided and paid for through capitalist processes (by which I mean here the whole calculus of investments and profits), we present ourselves to the world as perennial debtors. To understand the functioning of indebtedness, then, we should begin, not with the global exchange systems that it apparently serves as a fundamental operation, but with the material staging of obligation that make such systems seem possible and necessary to their agents and participants. To be more exact, we should say that the condition of indebtedness is neither housed inside the subject nor imposed by external economic fiat; it is “subjective” in the sense that every subject finds herself in a shared interior space where multitudes of subjects create and maintain vital processes precisely by enacting their obligations to each other. In other words, the indebted are all those who find themselves and each other in the process of confronting the historicity of their situation.

And yet this bottom-up approach does not register the *atmospheric* dimension of indebtedness. We need a model of something like a climate of debt, insofar as the production of a human world always proceeds by floating promises that it cannot keep, promises that circulate beyond the people and projects for which they were made. As millions of people are figuring out, all alone and en masse, when impossible debts make their living space uninhabitable, they must try either to leave that space or to change the atmosphere. A systemic debt crisis thus reveals the constitutive split, normally negotiated and masked by politics, between sovereignty and solidarity. The basic intuition here—that indebtedness has to be grasped in the tension between expanding and contracting social bonds—was already given expression in Deleuze’s remark that today “humans are no longer enclosed, but indebted,” a formulation that led me to suggest that the friendly, internal face of the neoliberal project is the proliferation of shopping spaces, while the less friendly, external face is generalized warfare.<sup>5</sup> Both faces, consumerism and militarism as the disjunctive synthesis of contemporary capitalism, continue to depend upon state-centered regimes of indebtedness as their enabling condition. But the ongoing poisoning of collective aspirations, however situation specific, means that the various imbalances generated by every malfunctioning state are spewed directly into the planetary climate, creating destabilizing pressure gradients of often

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<sup>5</sup> See my *The Bonds of Debt: Borrowing against the Common Good* (New York: Verso, 2011).

violent intensity. Such outbreaks, which seem to be occurring more often these days, are perhaps indicators that the coordinates of indebtedness are bigger and more complex than we thought.

We keep saying to each other that there must be some other way; but finding another way depends very much upon the operations of mapping and orienting the spaces of constraint and vectors of potentiality. Perhaps the charts of debt show us only the negative spaces within the maps of our indebtedness; perhaps we have to keep drawing the map of what is already there, already moving outward, *the ecstatic dimension of our projects*, superimposed upon the map of what is already moving inward, *the real movement of coming-together*. What I am calling “indebtedness” is, in the largest sense, the diagram of all these elements. We are already in debt, but we do not always know how we got there or how we can live without it. And it is by virtue of this not-knowing that we are able to keep looking for ways to change our situation: to avoid the debts we can, to refuse the debts we can, to fulfill the debts we can, to forgive the debts we can. A