

# **Consumer Culture, Precarious Incomes and Mass Indebtedness**

## **Borrowing from uncertain futures, consuming in precarious times**

### **Abstract**

In recent years, labour markets have been characterised by stagnant wages, reduced incomes and growing insecurity supplemented by the ongoing proliferation of outstanding payment obligations at almost all levels of economy and society. We draw upon current debates in social and economic theory to explore the disconnect between the deterioration of late capitalism's distributive measures and the relative vitality of consumer cultures, suggesting that the latter relies substantially on immaterial, credit-based payment means to bridge the gap between the fundamental fantasy of 'more and better' and the decline of material productivity denoted by base rate of profit. We then use this disconnect as a breach-point for an in-depth interdisciplinary discussion of the substantive and ideological function of credit.

**Key Words** – consumerism, debt, precarity, desire, financial speculation

Western capitalism has changed markedly over the last few decades as the relatively durable and stable labour forms associated with its earlier industrial phase have all but disappeared, replaced by a threadbare patchwork of short-term, low-paid and on-demand contract work (see Lloyd, 2018; Friedman, 2014). In the UK, Canada, Australia, New Zealand, the US and across much of Continental Europe, this shift has significantly eroded the earning potential of a large section of the workforce as dependable employment has given way to radically insecure and hyper-competitive 'gig economies'. Wherever late capitalism touches ground, a large and growing section of the workforce – up to 1-in-3, in some cases (see, for example, Balaram & Wallace-Stevens, 2018) – extract very little benefit from it to the extent that they

routinely struggle to make ends meet, have very limited capacity to save money and feel deeply insecure in their current employment.

In this context, we might have expected consumer spending to drop off long before the Covid-19 pandemic, falling victim to a host of deflationary pressures attached to the basic substructure of late capitalism, making its continued growth all the more remarkable as it assumes an increasingly inverted relationship with the fundamental uncertainty of income, labour and employment (see ONS, 2019). In other words, late capitalism has more or less succeeded in decoupling income from expenditure, buttressing economic growth against the decline of baseline output whilst nonetheless maintaining subjective identification.

With this paper, we explore the tension between insecure, undependable labour markets and the endless solicitations of consumer cultures within the overall debt structure of late capitalism. We first outline the interplay between work and consumption, exploring the powerful forms of subjective identification that seem to emerge organically from structures and forces that might otherwise appear to be purely economic in nature. Second, we connect these consumer subjectivities with the marked proliferation of outstanding debt over the last forty years, considering the origins and functionality of borrowed payment means within an otherwise stagnant and illiquid form of capitalism. Finally, we push further into the structural foundations of 21<sup>st</sup> century consumerism to explore the long-run speculation at the heart of contemporary political-economy and the dissociation and structural cynicism common to prevailing socio-cultural contingencies. In so doing, we offer an original analytical synthesis of ongoing debates circulating around consumer cultures, socioeconomic uncertainties and mass indebtedness.

## **Consumption and Employment**

Western capitalism has long relied on a degree of ‘conspicuous consumption’ (Veblen, 1994 [1899]), the neoliberal era has markedly transformed the requisite distribution of payment means, maintaining the accelerated participation of the post-war decades whilst fostering substantial disparities of wealth and income (Piketty, 2014). The shift away from welfarist distributivism and the social-democratic ideal is well-rehearsed in the literature (Harvey, 2010; Winlow and Hall, 2013), as is the adoption of a more ‘free market’ model (see Harvey, 2005), but its effects are still playing out across the social structure. In the sphere of work and employment, for example, the clear, contractual relationships of decades past have given way to an on-demand, as-and-when employment model that has turned even the most banal of jobs into an incessant entrepreneurial grind that effectively requires constant, unceasing effort just to maintain minimum-waged piecework (Standing, 2011; Lloyd, 2018).

Whilst an increasingly distant elite have withdrawn from place and community into a gloriously bacchanalian, resource-intensive isolation, everyday life under late capitalism cultivates a wide-ranging sense of impermanence and fragility as mere participation relies on fragmented and unpredictable labour markets. In the United Kingdom, the ‘gig economy’ had been the fastest growing section of the labour market for several years prior to the advent of Covid-19 – the pandemic has most likely accentuated extant trends in this regard (Briggs et al, 2021) – accounting for roughly five million people, all subject to a low-wage, high-stress employment model (Lloyd, 2018). What’s more, this trend is mirrored around the world with otherwise diverse employment markets in the Australia, Canada and the US all describing very similar trends as a growing section of each national population find their way into forms of work that, as Australia’s Parliamentary Committee on Education and Employment (EERC,

2017: 99) put it, come with “no security of income, no insurance... in case of accident, no superannuation, no personal, annual or paid leave of any description”.

This is, arguably, the economic substrate of a divergent society, a shift from relative cohesion facilitated by a distributive approach to socioeconomic regulation to a growing gap between the pecuniary beneficiaries of neoliberal order and pretty much everybody else (Dorling, 2015). Wherever we look, ‘inequality’ has become one of the standout features of the early 21<sup>st</sup> century as a privileged few pull away from the rest, feeding the proliferation of mass resentment along with a host of negative socio-structural indicators. Whether it’s problems of mental or physical health (Bambra, 2016), educational failure, crime, antisocial behaviour (Ellis, 2019), indebtedness (Horsley, 2015) or growing levels of poverty and deprivation (Dorling, 2015), all connect into an increasingly divided and disaffected social field in which people collectively and individually seek solace and identification in other aspects of their lives, particularly the solicitous realm of consumer culture (Gilbert, 2013; Smith and Raymen, 2018).

Wages have been falling for decades, routinely outpaced by rising cost of living despite nominal increases in the near term (Streeck, 2016), outright ‘unemployment’ might have become a relatively small problem, but large and growing sections of the population are significantly ‘under-employed’ (Bell and Blanchflower, 2018) whilst nonetheless fully committed to consumer culture. Although access to disposable funds is under significant pressure, the socio-symbolic attachment to consumption remains, particularly in the field of identity, status and display (Bauman, 2005; 2007; 2012) where culture and leisure provide many of the primary building blocks for a cohesive, autonomous sense of self (Kotzé and Antonopoulos, 2021). In numerous empirical studies (see, for example, Winlow and Hall,

2009), attachment to consumer culture repeatedly proved to be an incredibly powerful and seductive force, offering innumerable opportunities to signal, if not flaunt, tastes, styles, personalities and, crucially, spending power. Where the sphere of employment is riddled with uncertainty, fragmented and often completely purposeless (Graeber, 2018), consumption and leisure are deeply seductive, providing opportunities for enjoyment, exploration, reinvention and catharsis from the mundanity of everyday life that remain just as significant to late capitalism's socio-structural vitality as they are to an individualised sense of purpose and fulfilment (Ellis et al, 2018).

Although employment increasingly fails to provide any sense of stability, let alone a dependable income, consumption remains central to both late capitalism's limited growth prospects and the individual motivations of subject population (Smith and Raymen, 2018). It remains a critical component of economy, culture and society even though it arguably runs counter to the material productivity of the underlying structural form to the extent that many otherwise engaged consumers might have struggled to maintain their allegiance to the competitive field of status and display without an additional source of payment means.

In the absence of credit, much of the world economy would almost certainly have faced significant problems of effective demand (Langley, 2014; Horsley, 2015) as the steady erosion of employment-related income amidst the growing insecurity and undependability of work fed through into reduced consumer spending, ensuring a long socioeconomic depression that might well have taken historical trajectories in a very different direction. If nothing else, the likes of Francis Fukuyama (1992) probably could not have proclaimed the 'end of history' if the post-war beginnings of consumer capitalism had collapsed as soon as industrialism's rate

of profit dropped off, going some way to making the liberal-democratic settlement as unattractive as its Soviet compatriot.

For nearly four decades, the western world's prevailing socioeconomic contingencies have been increasingly reliant on supplying consumers with means of payment through a near-constant proliferation of outstanding personal debt, which, in the UK context, began to rise in the early 1980s as the comparatively low figure of £64 billion turned into the £1.5 trillion that almost crashed the national economy in 2007-8. After the financial crisis and amidst the beginnings of the austerity era total outstanding debt dropped slightly but soon started rising again. It currently sits at a record figure of £1.7 trillion with the Office for Budget Responsibility predicting a total of £2.5 trillion by 2024/5 along with a steady increase in the household debt to income ratio above the current figure of 142 percent (see Harari, 2018; OBR, 2019). What's more, this explosion of outstanding debt is also mirrored around the world with many other advanced economies, including the likes of Australia and Canada, describing similar trends on their way to even more elevated ratios – 210% and 186% respectively (Statista, 2021).

Most of this private debt, around £1.5 trillion at time of writing, comes from runaway mortgage markets and resultant price inflation but underlying the actual distribution is a pro-consumptive augmentation of economy and society, the different totals and ratios representative of activity that is fundamentally debt-dependent, that could not have taken place in other circumstances. It represents consumption by postponed payment, cultivating participation through growing obligations and widening debt-to-income ratios, which, in a context of falling profitability, slow growth, declining incomes and occupational insecurity, ties the individual and the collective ever more closely into a suite of speculative and deeply

contingent assumptions about the future of consumer societies, subjective identification and western capitalism. To understand where these assumptions come from and why they might be problematic for insecure worker-consumers and indeed the overarching political-economy of late capitalism, we first turn to the notably immaterial origins of credit within the banking system.

### **Futurity of Credit**

When it comes to the wellspring of credit, much of the banking industry, supported by a great deal of orthodox economic theory (see Allen and Gale, 2004; Fecht et al, 2008), operates on a one-in, one-out, self-equalising assumption in which lenders play little or no active role beyond a judicious intermediation that extends no further than redistributing deposits from savers to borrowers. This fosters a relatively simple understanding of credit that goes a long way to minimising the systemic risks of a growing lending portfolio by suggesting that it is roughly analogous to wages and welfare, positing the capacity and desire to lend as a direct corollary of already-existing profits. According to Paul Krugman (2012: 147), for example,

When debt is rising, it's not the economy as a whole borrowing more money. It is...a case of less patient people – people who for whatever reason want to spend sooner rather than later – borrowing from more patient people.

The prevailing neoliberal explanation for the origins of credit relies on a rationalist, risk-averse mythology in which successful economic actors deposit their earnings with a banking corporation, which then collates deposits and benignly allocates them to the more impatient, risk-taking and unfrugal sections of the population with little to no systemic risk. It posits banking as a staid, cautious form of financial intermediation, a systematised networking and

investment service that fulfils largely the same distributive function as the payment of wages by ensuring that material productivity feeds through into aggregate consumption.

At the core of this 'intermediary thesis' is a notional equivalence between material productivity and the amount of money available to spend on goods, services and accreditations, an assumption that has become decidedly unsustainable since the global financial crisis of 2007-08 as the inherent, long-term instability of debt-driven economies has hit home. In almost every account of recent economic history (see, for example, Streeck, 2016) there is an acknowledgement that late capitalism rests upon a deep and expansive ocean of debt that spans financial and non-financial enterprise, private households and the institutions of government.

Whilst sovereign authority does not relate to borrowed monies in the same way as a private household or a business enterprise – the capacity to issue currency means that states can always make payments (Mitchell *et al*, 2016), ensuring that governments are the only socio-structural entities unconstrained by revenue – the generalised expansion of debt has nonetheless significantly altered the balance of power around the world, especially in some of the more finance-dependent economies. In the United Kingdom, the US, Australia, Canada and elsewhere, the decline of late capitalism's underlying rate of profit has drawn political authority into a notably 'econocratic' frame (see Earle *et al*, 2017), cultivating an increasingly technocratic obsession with continued growth as other policy considerations gave way to fiscal consolidation and socioeconomic financialization.

What this has produced, Mazzucato (2018) argues, is a fundamentally recalibrated capitalism that has largely handed off the messy, complicated business of production to a host of vassal producer nations, turning instead to a combination of Finance, Insurance and Real Estate –



the 'FIRE sector' (see Mitchell and Fazi, 2017) – along with the possibility of augmenting growth by artificially enhancing the availability of payment means and attaching additional costs to production and consumption by charging 'interest'. Whether credit cards, student loans, mortgages or anything else, the form of debt doesn't really matter because it all goes into the production of financial assets known as 'securities', which have since become the primary focal point for a global economy interconnected to an entirely unprecedented extent.

Historically, western capitalism has had episodes of speculative financing (see Mackay, 2018), perhaps most notably prior to the Wall Street Crash of 1929, but the current iteration is far more expansive in scale (Varoufakis, 2011). In the historical example, the financial relationships were broadly comparable but limited to the continental United States and a marked over-valuation of stocks on the New York exchange (Galbraith, 2009), which pulled the rest of the world into the Great Depression as the collapse of the American economy reduced outward investment.

What's different today is that huge swaths of the world economy are implicated at source, from the western heartlands of the neoliberal imagination to the tiger economies of the far east, all have been pulled into a singular global system that, according to Varoufakis (2011), turned global capital distribution on its head towards the end of the last century. Instead of investment flowing outwards from the 'advanced' – meaning 'financialised' – economies, it rushes inwards as productive nations look to recycle their capital surplus into the FIRE sector. It's hardly remarkable to note that Chinese investors, for example, own vast tracts of property and other financial assets in the US, the UK and Australia – recent totals run to \$1 trillion, £143 billion and A\$80 billion respectively – but the reality is that this has combined the various

sections of the world economy into a single, deeply unstable entity centred on the payment obligations attached to western debts.

This leaves us with a couple of questions. Where do all these ‘financial assets’, typically in the form of payment obligations attached to debts, come from? Are they, as neoliberal thinkers like Krugman typically assert, merely the product of a relatively simple, rational intermediary function or is there something a bit more ephemeral at play?

Several different theorists, often working in and around the development of Modern Monetary Theory (see, for example, Mitchell et al, 2016), have returned to competing explanations hastily dismissed by the neoliberal orthodoxies of the late twentieth century in search of the practical origins of credit-based expansion, predatory lending and widespread mismanagement of systemic risks. What they’ve settled on is an idea that originally appeared in the works of Marx (1991 [1891]) and Macleod (2012 [1891]) before reaching its zenith with Schumpeter’s (2008 [1934]) assertion that the ‘kernel of the credit phenomenon’ is an act of creation, an illusory, ‘fictitious’ acceleration of the ‘social stream’ that is, more often than not, altogether lacking in material basis.

From this perspective, credit is less judicious recirculation of existing funds than a purposeful creation of payment means entirely distinct from material value, conjured into existence at the point of application to fulfil a request for payment. When a receptive institution is presented with a potentially profitable lending opportunity – anything from a mortgage or a business proposal down to a short-term ‘payday’ loan – it doles out the ability to pay by buying an IOU from the borrower and so staking a contractual claim on their future income. It is an act of creation, a click-of-the-fingers magical appearance worthy of David Copperfield, which, as Werner (2014: 16) has it, effectively creates money “as ‘fairy dust’ produced by the

banks out of thin air”, that only acquires a degree of materiality when – read, ‘if’ – the repayments roll in.

The difference between these two explanations ultimately boils down to the direction of the monetary transfer within a creditor-debtor relationship. Where the intermediary thesis minimises the “link between lending and the amount of money in the economy” (Keen, 2017: 76), positioning the borrower as a beneficiary of the hard work and diligence of others, the creation thesis turns that relationship on its head, suggesting that the banking system, in relation to its lending activities at least, works by cultivating contractual payment obligations expected to mature at a more or less specific point in the future. The former makes some logical sense because it compresses the complexities of the international finance industry into a simple relationship roughly analogous to one person lending a small amount to another but it cannot explain where banking institutions find trillions of Pounds and Dollars and Euros to farm into property markets or how western capitalism has allowed consumers to spend in excess of the value of their national economies alongside incomes that have, with few exceptions, been stagnant for decades (Streeck, 2016), at least in light of the rising cost of living.

This only works if the monetary relationship is reversed, allowing the lending party to claim a promise of future payment as actual corporate value in the present, conjuring payment means out of the ether by contractually reaching forward into the future to siphon off the prospective value of imminent labour. When a loan is made, it’s drawn not from existing resources – there are no forklift trucks beneath the Bank of England or piles of cash and precious metals moving from one vault to another – and instead represents a fundamentally optimistic assumption about years and decades to come, ensuring that its value remains

notional and speculative until the loan matures. Credit acts as a promise of payment in a distant and unpredictable future, which requires both the lender and the borrower to estimate the inherently inestimable, exposing self and system to a compounding form of temporal uncertainty by gambling on debtors' future income (Lazzarato, 2012).

The result is a monetary system that allows us to exceed the present by capitalising the future, turning consumer participation, especially in the context of depressed labour markets and falling incomes, into a function of nominalised value (Palan, 2015) in which the money we spend ultimately emerges from shared, often implicit assumptions about the future of capitalism. This inherent futurity goes a long way to bridging the gap between relatively constrained material circumstances and the parallel explosion of desirable symbolic objects, experiences and accreditations, ensuring that the 'flawed consumers' of late-capitalism's contractive phase remain partially and incompletely invested in the system, albeit at the expense of a growing balance of payments.

Where the intermediary understanding of credit allows for the comforting illusion that consumer capitalism is in rude health, acknowledging that its current disposition rests on the insubstantial foundations of a speculative lien on uncertain futures suggests a different direction. It ties mass indebtedness into one of late capitalism's most remarkable structural dimensions, its capacity to sustain a relatively accelerated level of consumer participation alongside the systemic entropy of stagnation and decline, growing division and unrest (Streeck, 2016; see also, Celik, 2016).

It has allowed consumer capitalism to perpetually stave off the consequences of several fundamental problems, temporarily displacing them by turning to a kind of systemic cheating that keeps a sizeable portion of the western population consuming beyond otherwise falling

incomes. Inevitably, the nature of this ‘cheating’ is open to a level of interpretation but it is nonetheless inextricable from the wellspring of credit within the banking system and the resultant capacity to step over the insufficiencies of the present by drawing a semblance of vitality from uncertain futures.

We might live in disordered and tumultuous times, but consumer capitalism continues to spin outwards more or less regardless of deteriorating material circumstances because the capacity to manufacture all but unlimited payment means colonises the unreal through a form of financially mediated dissociation. It bridges the growing chasm between how large parts of the western population actually live and the material foundations of consumer lifestyles – as an example, ONS (2016) data suggests that around 35% of the UK population carry a growing and long-standing obligation to future payments – allowing both the individual and the surrounding social order to exceed the latter and so keep the perpetually impending dissolution of late capitalism at arm’s length. In the final section of this paper, we want to push a bit further into this relationship to consider why borrowed means of payment might appeal to insecure worker-consumers with undependable incomes.

### **The promise of future satisfaction**

Whilst some aspects of the burgeoning, albeit relatively small, sociology of mass indebtedness arguably skirt the margins of immateriality whilst acknowledging both the temporality and the inherent risks (see, for example, Adkins, 2017; Sparkes, 2019) we contend that the out-of-the-ether quality of credit creation is vital if we’re to grapple effectively with the inverse correlation between capitalism’s declining rate of profit and the ongoing proliferation of outstanding payment obligations. Throughout our previous research (Horsley, 2015; Lloyd, 2018; Horsley & Lloyd, 2020), we have explored the lives of low-paid and insecure workers as

well as those of people struggling with problem debt, frequently touching upon the relationship between credit and consumer culture. It should be noted immediately that attitudes towards credit and debt vary enormously making generalisations problematic but, at the junction of our overlapping interests, there is a definite sense in which borrowed payment means mediate and extend insecure worker-consumer's connection to a distinctly unproductive capitalism that has spent much of the last few decades lurching from one narrowly and incompletely averted disaster to another.

Personal and systemic indebtedness has become an omnipresent aspect of late capitalism, funding much of our consumer society (Bauman, 2007), debt-driving its values and ideologies by drawing means of payment from prospective futures on the strength of contractual obligations. At every level of consumer markets, debt is an all but unavoidable presence, from the upper reaches of the mortgage market and high-end luxury consumption down to the growing presence of payday lenders and rent-to-buy shops in many towns and cities (see Rowlingson *et al*, 2016); it's possible to borrow at any time for almost any reason.

Credit provides the raw pecuniary means to consume and to be seen to consume. It is the mechanism by which we construct and deconstruct lifestyles and identities based on a plethora of commodities pregnant with symbolic power, predicated on the subjective pursuit of satisfaction. It is the means by which the otherwise dislocated inhabitants of late modernity partake in capitalism's fundamental fantasy of autonomous subjectivity (Johnston, 2008), tethering the self to a suite of contractual payment obligations in exchange for the illusion of freedom and sovereignty in the present.

If we're to understand the vibrancy of consumer markets and their connection to late capitalism's ongoing decline, the process of 'credit creation', as opposed to 'allocation' is vital.

Making a living is getting harder, incomes are stagnant or in decline and everyday life is overshadowed by uncertainty but the vast majority, as Streeck (2016) remarks, continue to discharge their distributive obligations by drawing payment means from uncertain futures. In the process, late capitalism has partially and unsteadily bridged a chasm that it might otherwise have fallen into, sustaining and harnessing libidinal energies against the inexorable decline of its productive capacities. The continued expansion of outstanding debt maintains the integration of capitalism into everyday life by allowing it to step over its internal contradictions, forging an economically productive, socially preservative pathway towards otherwise foreclosed satisfactions.

The proliferation of lending mechanisms ties capitalism into day-to-day life, tapping into a torrent of speculative largesse that overwhelms relative structural incapacity to bind subjective consumer experience – aspiration, desire, hope and enjoyment – to a promise of future payment. We might even say that debt subjectivises capitalism, reducing the infinite possibilities of the future to a kind of cyberpunk aesthetic in which, regardless of internal and external pressures, existing pecuniary conditions remain inviolate as the creditor-debtor relationship spins outwards, contractual payment obligations compounding over years and decades. In some ways, as Lazzarato (2012) argues, this perhaps amounts to a measure of ‘control’ to the extent that it funnels debtors’ behaviours, orientations and decision-making capacities into the necessity of making payments, cultivating a longstanding relationship that goes a long way to enforcing the prevailing accumulation regime.

With a slight shift in emphasis, however, we can take this idea a little further, stepping out of a relatively monotone reference to ‘control’, ‘enforcement’ and ‘obligation’ to better reflect the fundamental relations of late-modern political economy. The capacity to borrow money

also functions as a condition of possibility in otherwise stagnant and illiquid consumer economies. Late capitalism appears to be immune to the resultant deflationary pressures because it routinely deploys lending mechanisms to sustain consumerism's promise against the general decline of its prevailing structural conditions. We might think of this promise as the basis of modern capitalism, the starting point for its seemingly endless supply of subjective enticements centred on the idea that 'your life will be better if/when...' as it perpetually cultivates dissatisfaction with the present only to hold out a means of transcendence commonly attached to the substantive and/or symbolic value of a particular product, accreditation or experience (see McGowan, 2016; see also Ward, 2017).

Debt-generating payment means allows us to keep skipping from one fleeting, ultimately unfulfilling gratification to the next whilst avoiding the pitfalls of relative incapacity, continually reinvesting the self in the promise of improved conditions, material prosperity, status and the acquisition of 'stuff' against the underlying decline of incomes and general absence of secure employment. If credit has an ideological function, it's to redouble capitalism's mystification of social reality, allowing it to transcend its limitations by speculatively siphoning payment means from ultimately unknowable futures whilst ensuring that the worker-consumer remains "situated within the narrative" (Pfaller, 2014: 67) of an otherwise failing system.

It's here that we might adapt Bauman's (2005) description of 'flawed consumers' because the availability of credit since the mid-90s has gone a long way to splitting the logical relationship between relative incapacity and reduced potential, allowing the debtor-consumer, as well as consumer capitalism itself, to transcend limitations, separating expansion from distribution through a peculiar kind of generative largesse. Whilst there are many different examples of



this largesse at work, often spanning the breadth of the global economy – we might point to the growing availability of unsecured and minimally risk-managed consumer credit with, for instance, the recent proliferation of ‘Buy Now, Pay Later’ (BNPL) companies such as Klarna, the return on very low interest mortgages in the UK or the rapid expansion of cryptocurrencies – the important point for our purposes is that individual and collective consumptive potential is only partially determined by income and employment and that consumer capitalism has found a way of bolstering participation against any and all constraints by speculatively advancing the payment means to maintain the Sisyphean pursuit of future satisfaction.

Without the availability of credit, a great many active, engaged consumers would almost certainly struggle to maintain their allegiance to late-capitalism’s promise of future satisfaction, finding their pursuit of goods, property, experiences and accreditations stymied by the absence of payment means. Access to credit, functioning as a condition of possibility, goes a long way to maintaining the affective rituals of socio-symbolic consumption by circumnavigating the material limits of insecure work, low-pay and underemployment. In place of concrete mechanisms that fund participation through material circulation, late capitalism has opted instead for a kind of long-run gambling, an immaterial relation that funnels the general population into a speculative orientation to the future, negating limits to expansion whilst maintaining the allure of prevailing cultural imperatives.

Where material constraints might otherwise push the subject outwards, excluding them from active participation in the marketplace, the proliferation of lending mechanisms provides a means of consuming over and above income and so continuing to engage with the endlessly rotating pursuit of satisfaction that acts as the primary socio-symbolic marker of lifestyle and

identity. There is a definite sense in which late capitalism's cultural imperatives rely substantially on a suite of mutually reinforcing socioeconomic relations to the extent that everyday life increasingly oscillates between transcendence and dissatisfaction, between the lending mechanisms that sustain participation and the debts that tie us into pressures of growing payment obligations on top of income constraints (Day, 2019), often necessitating yet greater reliance on borrowed monies.

We're living in an era of near-constant labour market 'restructuring', decimated labour laws, on-demand employment and extractive regulatory frameworks but the availability of credit functions, at least in the short term, to maintain the monetary foundations of consumer culture's integral fantasies – autonomy, beauty, pleasure and self-fulfilment – harnessing their libidinal energies to the continued health of the system (Hall, 2012; Horsley et al, 2015). The capacity to borrow money provides the basic pecuniary wherewithal for the continual re-education of the consuming subject, casting their sense of self forward into a realm of potentiality by supplying payment means beyond the reduced productivity of post-industrial capitalism.

Whether we fix our gaze on the individual consumer or the wider system, it's increasingly difficult to avoid the suspicion that there is something fundamentally Panglossian about the way we live today, a kind of negative optimism in which we are individually and collectively gambling the integrity of self and society on late capitalism's ongoing capacity to repeatedly overcome the long-running decline of its base rate of profit. In relying quite so heavily on debt-generated means of payment, we are almost literally living on the assumption that late capitalism not only has a future but that it will somehow come good, allowing us to repay our debts by returning to the kind of stable, protected and functionally distributive growth model

that began to dissolve under a range of internal and external pressures more than fifty years ago.

If we're to understand the connection between a relatively healthy form of consumer capitalism and the generalised return to a model of political and economic development that apparently views human bodies, let alone meaningful lives, as an unnecessary expense to be minimised through ongoing welfare retrenchment, continued wage stagnation and the increased scope for cross-industry automation provided by artificial intelligence, a full social-scientific accounting is crucial. It is credit and debt that provide the traction point for a 21<sup>st</sup> century sociology that fully appreciates the growing disconnect between vibrant consumer markets and overarching political-economic trajectories that seem to be feeding through into near-Victorian levels of social inequality and mass resentment (Polsky, 2015). We might be living in a profoundly entropic age with security of life and livelihood rapidly trending to zero but, for the moment at least, a large part of the population appears to be maintaining a semblance of 'social inclusion' by reaching over the horizon to keep consuming in otherwise precarious times.

This is the primary function of credit. It opens a more or less direct financial pathway into an ethical gesture known as 'fetishistic disavowal' (Žižek, 2008), allowing us to individually and collectively repress uncomfortable or inconvenient knowledge within a form of ideological cynicism, deadening its effects. In the context of stagnant or falling incomes and increasingly undependable employment structures, we might realise that an unexpected expense could carry us beyond our finances, that the next desirable something would be a step too far or that any marginal change of circumstance will leave us facing penury. Credit allows us to push

any such fears, no matter how realistic, to one side and press on down an economically and culturally preservative path of least resistance.

Where the alternative would often be a kind of hard stop or a conscious withdrawal, credit dilutes the effects of post-industrial capitalism's socio-structural entropy, allowing its subjects, individually and collectively, to maintain our place in the established order of things. It provides a means of indulgence but also a means of general sustenance, stepping over the insufficiencies of the present to preserve the symbolic rituals of a consumer society even as an increasingly pervasive form of generalised insecurity rises upwards from the tattered remnants of the industrial 'working class' into what were, until recently, fairly secure 'middle class' professions. It does this by breaking consumer spending, not to mention capitalism itself, out of any dialectical relationship with the material world, separating it off from productivity, investment and profitability, cutting away any associated restrictions on the money supply, in favour of almost unlimited liquidity attached to an unchecked proliferation of "virtual traction point[s]" (Dupuy, 2014: 16) – nominal repayment points – located at some loosely specified point in the future hidden from view by a suite of temporal uncertainties.

We might be even tempted by Keen's (2017: 95) suggestion that many of the world's developed economies, with particular emphasis on the heartlands of the neoliberal imagination, have become 'debt zombies', a "walking dead of debt" that produce little whilst nonetheless absorbing resources at an accelerating rate, depleting the future ahead of time to sustain a modicum of consumption in the present. Within these distinctly extractive political and economic conditions, cultural participation is fundamentally compromised because it becomes an effect rather than a cause, an after-market reflection of generative excess caught up in a generalised form of immaterial speculation that continues to inflate

nominal values whilst pushing the current form of capitalism further beyond the structural, fiscal and environmental limits of expansion.

Whilst much of consumer culture's appeal rests on a prevailing ideological fantasy that McGowan (2016) characterises as 'more and better', its pursuit commonly and perhaps increasingly rests upon a level of dissociation, a substantive and ideological disconnect between the surface relief of enjoyable goods, experiences and accreditations and the underlying contradictions of a stagnant, illiquid and deeply unproductive capitalism partially and incompletely bridged by generative largesse. It's a distinctly undialectical relationship, a deadening of the connection between culture and economy in which the former continues unabated whilst the latter falls into an increasingly advanced state of disrepair, allowing consumer lifestyles to outpace their material foundations and for the accretion of a distinctly dissociative and 'unreal' subjective experience built upon a form of generalised speculation.

It's even possible to see this disconnect in action in the context of the coronavirus pandemic, late capitalism deploying its generative capacity to minimise the disruption of lockdowns, furlough schemes and mass redundancies, sustaining popular ideological allegiance to an otherwise failing system allowing the existing order of things to continue unabated even as the underlying decline gathers pace. Whether it's the financial crash of 2008 or the ongoing ramifications of Covid-19, Briggs *et al* (2020) note, major crises tend to focus attention on the flaws of an increasingly highly-strung socio-economic form, magnifying prevailing frustrations and resentments, only to give way to a readopted and restated system normal as the speculative bridging mechanism kicks into gear, facilitating the process of disavowal and dissociation. In so doing, the capacity to artificially manufacture payment means, separating

value from materiality, takes on a distinctly preservative ideological function, allowing late capitalism to maintain the allure of its fundamental fantasy.

Looking toward the future, the financial relationships explored here are but one aspect of a deeply entropic system that looks to be coming toward the end of its existing 'accumulation cycle' – a relatively settled period in which production and trade expand rapidly before exhausting their vital context (see Mitchell and Fazi, 2017) – as distributive structures break down and real wealth coalesces in the hands of relatively few, magnifying a wide array of grievances and resentments (Deneen, 2016). With its armoury of speculative bridging mechanisms, credit-based expansion has undoubtedly kept the neoliberal regime ticking over far beyond the raw productivity of late 20<sup>th</sup> century economic models, but it has also created a problem that any subsequent regime, including a revived 'green' capitalism or a 'great reset' (see Schwab and Malleret, 2020), will need to neutralise or otherwise circumnavigate.

With the explosion of debt at all levels of economy and society over the last few decades – mid-2020 figures (see Schwab and Vanham, 2021) suggest that the total outstanding debt sits at almost \$260 trillion worldwide, or roughly three times the notional value of the world economy – late capitalism has created a void, an array of speculative, un-resourced payment obligations that all but prevent the formation of a new accumulation regime. Just as generative largesse bolsters demand by creating money, as Keen (2017: 115) puts it, "net debt repayment destroys money and subtracts from demand", which, in turn, further reduces economic activity, effectively trapping debt-based economies into a long-lasting structural depression.

One way or another, late capitalism is heading for a reckoning – generative largesse is only a stop-gap measure, it keeps the party going by adding the eventual hangover whilst any kind

of managed re-materialisation ultimately leads to the same result, a deep and enduring structural crisis. It's impossible to know exactly what the future holds but, according to modern monetary theory, there's only one possible escape vector – a massive and sustained acceleration of public spending accompanied by a concomitant recalibration of capital distribution mechanisms. It's perhaps for this reason that ongoing debates around economic renewal typically give serious consideration to reducing the burden of private debt by directly employing the sovereign capacity to exceed revenue.

The idea of Universal Basic Income, a 'job guarantee' (see Mitchell and Fazi, 2017: 225-30 for discussion), Mazzucato's (2021) assertion that governments should shape markets and Kelton's (2021) concomitant emphasis on fiscal policy, all suggest renewed interest in sovereign authority's distributive function. Unfortunately, such a marked structural transformation, as Deneen (2018) notes, is likely to require reserves of political and cultural capital unavailable to current liberal democracies, most of which have spent the last decade or more mired in distinct but interconnected legitimisation crises marked by growing cynicism and disaffection, structural dysfunction and civic disconnection.

## **Conclusion**

We began this paper with the observation that consumer capitalism has more or less succeeded in separating income from expenditure, allowing for the continued expansion of consumer markets and lifestyles despite the long-term decline of material circumstances denoted, as much as anything, by the emergence of 'gig economies' and the proliferation of insecure and low-paid employment. In this context, we set out to explore the tension between consumer culture's endless solicitations and the emergence of increasingly insecure and undependable labour markets alongside the proliferation of immaterial means of

payment with the goal of exploring the substantive and ideological function of the latter within an otherwise stagnant and illiquid form of capitalism.

To explain this idea, we turned to economic theory and specifically to the inherent immateriality of the credit creation process, a broad-based capacity to conjure payment means out of the ether, artificially accelerating economy and society through a kind of 'systemic cheating' that perpetually staves off many of the subjective consequences of an otherwise failing socio-structural form. Where the banking industry, orthodox economics and political policy generally cleave to a mythology of cautious probity in which lending is funded by savings, the reality, we noted, is rather more risk laden and ultimately amounts to placing a speculative lien on the future through the proliferation of contractual payment obligations. This, we suggested, keeps the perpetually impending dissolution of late capitalism at arm's length, stepping over present insufficiencies by capitalising the future ahead of time in a way that is utterly inextricable from the wellspring of credit-based payment means within the banking system.

This, we argued, is the structural and ideological function of credit. It serves to facilitate and maintain subjective engagement within an otherwise failing system, tying the individual to the established order of things by going some way to fulfilling the integral promise of consumer culture. It offers a culturally, socially and economically participatory way of escaping or transcending dissatisfaction by securing immediate spending against future earnings, ensuring that hopes and expectations filter through the creditor-debtor relationship rather than roaming outwards where they might encounter and internalise the possibility of meaningful structural change. In so doing, it has inducted consumers into a suite of speculative relations encompassing income, employment and means of payment in which a



large and growing section of the population only maintain participation by gambling on late-capitalism's ultimate prospects, artificially fuelling the processes of socio-symbolic competition at the heart of consumer lifestyle projects, carrying them beyond the material into a realm of potentiality even as late capitalism seems to be running out of room for manoeuvre.

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