**Debt, (Un)Freedom, and Development:**

**Lessons from Contemporary Asia**

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In this special issue, we interrogate the complex relationship between debt, (un)freedom, and development through original research spanning Vietnam, Taiwan, Singapore, Thailand, Cambodia, and South India. Just as debt has become ‘necessary to meet the demands of everyday life’, debt and indebtedness have become one of the ‘key defining features of contemporary existence’ (Adkins 2017, 450; see also Montgomerie 2019). This is particularly true in the context of Asia and its distinctive development trajectory, where debt through the process of financialisation has fueled both the macro-level transition towards industrial and services sector growth, and continues to play a central role in the livelihood strategies of hundreds of millions of precarious households that are adversely incorporated into the region’s burgeoning economies. In this issue, we bring together contributions which interrogate how development predicated upon different types of debt has enabled and constrained freedom at a micro- and macro-level, through grounded research in the specifics of this regional context.

The first article in the special issue by Milford Bateman provides important context on deepening financialisation and shifting lending models in the region. Bateman identifies the proliferation of individual private debt in the neoliberal era as a key trend, and one that has been ideologically narrated as a ‘source of development, growth and personal freedom’ (p. IN THIS ISSUE). Entrepreneurial households, it is claimed by governments and the World Bank, would now ‘have the “freedom” to engage with the market *en masse* and seek their own individual escape from poverty’ (p. IN THIS ISSUE). The level of attention that Bateman pays to microfinance debt in his piece reflects how it is viewed more widely, as ‘above all’ the most significant form of private debt globally, promoted as a means for the poor to profit from and free themselves (Federici 2014, 232).

In our special issue, the papers that follow Bateman’s contribution explore household debt as a tool of extraction and dispossession as well as potentiality and emancipation. All the papers work however to break down any convenient and simplistic polarities between these by investigating lived experiences of debt as multifaceted and even contradictory. They show the value of going beyond the ‘heartlands of high finance’ in economic geography and international development to consider the diffusion of finance cum debt into everyday life in Asia, and to ‘(re)ground finance within the ‘real economy’ in academic analyses (Hall 2013, 286). As the papers in the special issue demonstrate, debt-taking and migration have become co-dependent necessities rather than an optional extra for so many. They are the ‘real economy’ and shape the direct organisation of people’s labour. Remittances in this realm become positioned as substitutes for the absence or paucity of social welfare, and even of sufficient labour markets in countries like the Philippines. In such contexts, households become self-guarantors for the financial risks and costs of existence (Lazzarato 2011) to the extent that the ‘machinations of the social reproduction of credit and its impact on the working poor’ becomes critical to exposing the ‘fetishised appearances of credit’ (Soederberg 2014, 29; see also Brickell et al 2020 on this in relation to COVID19 impacts).

The second paper in the Special Issue by Lan Anh Hoang brings to the fore the centrality of debt in the labour-export-as-development strategy pursued since the late 1980s by the Vietnamese government (see also Bateman this issue, for historical trajectory). Hoang’s paper overturns deterministic assumptions about the development promise of remittance-accruing migration that will tackle poverty in Vietnam. She explains that in this country-case ‘the unfreedoms caused by debt are best understood in a broader context of highly restrictive labour export policies and a significant demand for overseas employment’ (p.38). Within the migration-development nexus exists the migration industry, part of the infrastructure of border and debt regimes which transnational migrants must pay upfront to navigate. This industry is ‘oiled’, Hoang describes, by significant expenses which migrants pay variously for the arrangement of travel documents, airfares, insurance, medical check-ups, trainings, recruitment and training fees, profit margins of recruitment agents, and in certain instances a security deposit. These heavy costs met through formal and informal borrowing configure debt-financed migration, and are combined with the debt-driven need *for* migration. The contract labour migration experiences that Hoang details are therefore ones of worker agency being curtailed, almost at every turn, by webs of indebtedness which both result from, but also seek to manage, household poverty and lack of opportunity in migrant sending-areas.

Probing connections between debt and freedom through qualitative interviews with Vietnamese female workers, and their ‘left-behind’ husbands and children, the author explores their intimate stories of (re)migration to show the precarious situations, and seeming ‘endless waits’ they face in some instances, to re-return. As such, ‘attention to the temporality of migration is particularly important when it is induced and financed by debt’ (p.38), with workers sacrificing the present for their future. The paper offers further insights into the temporal nature of debt relations through longitudinal research tracing migrant women’s exercising of their rights over time *after* their migration debt has been paid, and in changing relationships with employers which reflect their ability to renegotiate the work regime and regain certain freedoms. The underlining sensibility of the paper, however, is centred on the uncertainty of debt-financed migration as a panacea for development and freedom.

The next article by Nicolas Lainez also focuses on migration from Vietnam, in this case for sex work in Singapore. In implicit tension with Hoang’s paper, Lainez challenges an equally-determinist association that could be made between debt-financed migration and harm. Akin to Marxist-oriented thinking that there exists a continuum of unfree labour relationsrather than just freedom or unfreedom (Barrientos et al 2013; Lerche 2011), Lainez unpicks binary constructs between protection and harm to argue that safety can also be enlisted through the mechanism of debt. Debt, he contends, has the capacity to bind brokers and workers ‘through webs of interdependence and reciprocity’ (p.IN THIS ISSUE) and can transpire in debt not always being coercive or an imbrication of unfreedom. Lainez reports, for example, how the purchase of packages through commercial brokers were paid off through workers operating as freelancers, thus having overall control over their own labour (as per standard practice in the red-light district under study). The brokers he closely engaged with encouraged workers to repay debts quickly so that workers could start earning for themselves: ‘[i]t was in the interest of both parties to be respectful to one another, to honour their commitments and to cultivate an enduring bond that would provide a steady income to the former and security to the latter’ (p. IN THIS ISSUE). Lainez’s article adds weight to the argument made by Julia O’Connell Davidson (2013, 177) that ‘although indebtedness can imply serious and extensive restrictions on freedom, it is also a means by which many people seek to extend and secure their future freedoms’.

The third paper by Isabelle Guérin and G. Venkatasubramanian additionally impresses the ‘ambivalence of debt’ (p. IN THIS ISSUE) through its examination of debt as present consumption bought with future labour (Peebles 2010). Looking to ‘debt bonded’ seasonal migration in South India, the authors start by explaining how wage advances are required in order to pay off other debts. With this organised annually, families then move as migrant brick kiln workers in order to repay the wage advance and settle, if possible, other debts. Guérin and Venkatasubramanian’s article, much like Lainez’s, argues that interdependence and protection are key corollaries in understanding the nature of (un)freedom and development that arises from the ‘socio-economy’ of debt. The ‘socio-economy’ of debt takes seriously different forms of debt, be these market or non-market, and asks scholars the critical question ‘[i]s contractual and market debt emancipation’s ultimate horizon, or on the contrary, the very essence of modern violence?’ (p. IN THIS ISSUE).

The authors’ research intervenes in the crude and orthodox position taken by policy makers (and some scholars) that interpersonal debt is dangerous whilst market-based debt is the pathway to freedom (see also O’Connell Davidson 2015). These binaries, they argue, ‘continue to permeate debate amongst decision makers and activists on the role of private debt in development and freedom’ (p. IN THIS ISSUE). It is also the case that market and interpersonal debts so commonly co-exist in household borrowing. Guérin and Venkatasubramanian’s article contributes to a temporal reading of debt in showing the importance of time in the protection-harm spectrum. Market loans have ‘one great disadvantage: they must be paid on time’ (p. IN THIS ISSUE) and with this there is a cruel rigidity of instalments that rarely accords with the borrowers’ ability to repay. Debt is, from this perspective, a form of dated time which Guyer (2012, 497) frames as a ‘calendrics of repayment’. The unpredictability of income which many households face is therefore sometimes better served by interpersonal loans which offer greater flexibility in terms of the temporal rhythm of repayment. Given the wide range of borrowing sources that their participants have, and indeed juggle, the authors contend that there is a deficit in much existing work on debt bondage which places blame on the monopoly of creditors and lack of alternatives for workers which lead them into a damaging dependency on their employer (see also Guérin 2013). The irony they raise is that ‘as labour remains their security, alternative credit opportunities do not protect them from debt bondage, quite the contrary. Pledging their labour is even more necessary to pay off alternative sources’ (p. IN THIS ISSUE). Despite the ‘financial melancholia’ that debt can create (Montgomerie 2019, 3), the ability to borrow was often found to be positive for their interlocutors in that being trusted as borrowers offered a sense of recognition and optimism that they ordinarily lacked in their lives. Freedom then is affectively, temporally, and not to mention financially, complex; something that is too often lost in simplistic discussions of debt as a tool of emancipation.

The final two papers of the special issue are focused on Cambodia. In the first, by W. Nathan Green, agrarian change is shown to be ever-more interlinked with neoliberal financialisation. Through in-depth long-term ethnographic research in a singular village, the author traces a shift away from non-monetary debt obligations involved in labour-intensive rice agriculture in the 1980s and 1990s to monetary debt increasingly enrolled in servicing basic needs and commodified agricultural production. Rural landscapes in Cambodia are now financialised ones, albeit unequally experienced by different farmers. Yet at the same time, data points to a decline in microfinance lending for agriculture in relative terms to social reproduction (e.g. home improvements, healthcare, food, and other consumer goods). With this, the financialisation of social reproduction has led to a reduction in agricultural labour and a related sticking point: ‘people cannot cover their rising debt obligations solely through farming’ (p. IN THIS ISSUE). As a result ‘family members have increasingly migrated out of the village to find jobs in the city or abroad, toiling in factories, erecting sky-scrapers, and serving others’ (p. IN THIS ISSUE). This *de facto* debt-driven migration has again undercut the ability to farm as they once did. It has also contributed to a translocal network of debt relations which are stretched across rural and urban. Green’s work therefore taps into, but also itself extends, a growing body of literature which identifies and unearths lived experiences of debt-fueled forms of social provisioning beyond Asia (Karaagac 2020). It concurrently qualifies the importance of the spatial as well as temporal in the study of debt (Harker 2017; Harker and Kiran 2019; Deville 2019).

Like the articles that precede it, Maryann Bylander’s article also attends to debt incurred prior to migration, with a particular emphasis on the scale of microfinance indebtedness in Cambodia. In a novel twist, Bylander argues for the importance of attending to the spatialities of debt in migrant destinations too. Her study of Cambodian migrants in Thailand extends the translocality of debt to a more bi-directional reading of remittances flows than is currently acknowledged in mainstream literature focused on the relationships between remittance-sending migrants and development outcomes. Bylander advocates for reverse remittances to be credited with greater attention in contemporary Asia. It is the case that although migrants struggle to access credit in their destination locations, it is possible to access credit in their place of origin. Bylander’s article hones in on just this through multi-sited research which generates new knowledge on loans for regularisation and loans for investments in migration.

With respect to the former, since June 2017 Thailand has had a new migration law which insists on additional bureaucracy and administration to verify migrants and clamp down on undocumented workers. Waiting for documents, Cambodian migrants in Thailand have encountered limbo and have in many instances incurred extra costs and risks as a result. Migrants also have to pay for their documents before they receive them, meaning that many borrow money through translocal loans to finance this regularisation. Once again then temporality, and slowness specifically, has a dynamic role in the mediation of debt and precarity. Interviewees also preferred to borrow from credit sources other than their employers given that this would require wage deductions and limit their freedom in Thailand. Destination debts are therefore part of the multiple and cross-border debt-binds that many Cambodians are contending with. Punitive and restrictive border regimes more widely have a significant role to play in debt and debt-taking (Datta and Aznar 2019; Johnson and Woodhouse 2018; O’Connell Davidson 2013), a phenomenon that transcends Cambodia and indeed the wider Asian region. Furthermore, ‘unfreedom is not an intrinsic attribute of migrant workers themselves, or the jobs they go, but rather describes relationships that are actively produced and institutionalized by employers and the state’ (Strauss and McGrath 2018: 200).

**Conclusion**

In a region broadly characterized by rapid financialisation, costly brokerage-based migration systems, translocal householding, sustained economic growth, and longstanding forms of reciprocity based on kinship and hierarchy, debt has much to tell us about freedom and development. The influence of debt is both substantial and subtle; both a driving force and a break on socio-economic change in a rapidly shifting region.

Taken together, the articles in this Special Issue highlight the centrality of debt in development processes, the production of freedom/unfreedom, and the navigation of everyday life across much of Asia. Yet in doing so, they also centre debt as a central organising principle in agrarian change, migration, development, and labour relations.

In one sense, there is little uniquely ‘Asian’ about the processes described in these papers. The paradoxical and complex relations produced by debt have been widely documented across a range of geographic sites. In contexts ranging from Paraguay (Schuster 2014) to South Africa (James 2014) to Palestine (Harker 2017), scholars have described the spatial, temporal, and social constitution of debts, noting its potential to exploit as well as sustain. At the same time the grounded experiences described in this Special Issue point to the importance of context in situating both how debt is promoted and how it touches people’s everyday lives. In this sense, the specific economic, social, and political dynamics of Asian contexts matter. For instance, across Asia scholars have noted an intensification of migration infrastructures, describing how the ‘infrastructuralisation’ of migration has produced new costs, debt obligations and restrictions for migrants seeking work abroad (Lin et al 2017; Xiang and Lindquist 2014). These infrastructures, as Hoang, Lainez and Bylander show, mediate what debt can do, its consequences, and its meanings among migrant workers. Similarly, scholars have pointed to the importance of global and translocal householding (Brickell and Yeoh 2014; Rigg 2013; Lawreniuk and Parsons 2020) and the specific ways that hierarchy, power, and patronage matter in Asian contexts. As many of these cases show, debt relations and the potentiality of debt are shaped by these pre-existing understandings of family, obligation and reciprocity.

Above all, these papers recognise that debt is central to our understanding of contemporary change in Asia—and, we would argue, beyond it. By bringing together grounded accounts of both what debt does for people, and how, we hope this work contributes to a broader and more nuanced critique of debt regimes, and how these regimes are understood by researchers, policy-makers and activists.

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