Indebted Societies

In many rich democracies, access to financial markets is now a prerequisite for fully participating in labor and housing markets and pursuing educational opportunities. *Indebted Societies* introduces a new social policy theory of everyday borrowing to examine how the rise of credit as a private alternative to the welfare state creates a new kind of social and economic citizenship. This book provides a rich study of income volatility and rising household indebtedness across OECD countries. Weaker social policies and a flexible knowledge economy have increased costs for housing, education, and raising a family – forcing many people into debt. By highlighting how credit markets interact with welfare states, the book helps explain why similar groups of people are more indebted in some countries than others. Moreover, it addresses the fundamental question of whether individuals, states, or markets should be responsible for addressing socio-economic risks and providing social opportunities.

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Indebted Societies

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Acknowledgments

I started thinking about the ideas in this book as a graduate student at the Massachusetts Institute of Technology. I have long been fascinated by the role of financial markets in modern societies and their relationships with governments, societies, and people. As I saw how deeply credit and debt had become embedded into the social fabric of our communities, and how destructive financial crises can be to people's livelihoods, I wanted to understand what the growing availability of credit meant for the provision of public goods and services and the structure of social rights and responsibilities across rich democracies. This book examines how the rise of credit as a private alternative to the welfare state shapes the ways in which individuals and their families cope with social risks and seize social opportunities.

True to the title of the book, I have developed my own "indebted society" that provided me with the intellectual guidance, support, and comfort to tackle and unpack these relationships with conceptual rigor and the empirical tools of modern social science. First and foremost, I owe immense debts of gratitude to my dissertation committee. Kathy Thelen has been a tremendously helpful and encouraging source of guidance, inspiration, advice, and support at every step leading to this book. She taught me not to shy away from asking big questions and inspired me to incorporate the American political economy into a comparative perspective. David Singer continuously helped me sharpen the argument and think about the empirical implications of my theoretical framework. He deepened my knowledge of the role of finance and pushed me to integrate international and comparative political economy. Torben Iversen had a lasting influence on my thinking about the welfare state, social insurance, and popular support for redistributive policies. His careful guidance toward conceptual clarity undoubtedly improved the manuscript. Danny Hidalgo provided invaluable support and advice about empirical methods and research design and offered a fresh eye and sharp questions on issues of indebtedness in advanced economies. I could not have wished for a better group of scholars and colleagues and am deeply thankful for many hours of support and advice

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