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A financial frontier for Catalonia: nationalism in times of austerity

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ABSTRACT
During a period of pro-independence mass mobilizations and diminishing financial confidence, the government of Catalonia attached a traditional idea of the rural household to its market in public debt. This article analyzes how nationalistic understandings of household are mobilized to support the struggle for independence and promote austerity policies. It also examines how an ethos of Catalan kinship drives the expansion of the household frontier of finance into the political imagination of the nation. The ethnographic story of this article is about a bond that transferred 30 percent of the region's public liabilities from institutional investors to Catalan households between 2010 and 2014. I trace out the commercial life of this bond from government offices to bank branches to a small rural town near Barcelona. This approach to financialization shows that the reconstitution of the household as another sphere of market relations has been reoriented after the 2008 financial crisis. My main argument suggests that the financialization of the household in Spain facilitates the making of a financial frontier for Catalonia in which widespread fiscal discontent is transformed into political capital.

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Introduction

'The situation is complicated. There isn't a magical solution. What can they [the Catalan government] do? Those who are in Madrid are in charge. And Madrid reports to Germany and the European Central Bank,' said Lucia opening a two-hour after-dinner conversation about a bailout requested by the Generalitat of Catalonia to the Spanish state in 2012.[1] This 9-billion-euro rescue loan was meant to repay bondholders like Lucia and her family, who, in 2010, bought into a market in public debt infused with nationalistic sentiments and statehood aspirations. A market that ended up transferring 30 percent of Catalan government liabilities from institutional investors to family households.[2]

Lucia lived with her husband Lluís in a multi-dwelling household shared with her in-laws. Lucia's in-laws' homestead sat on a hilly landscape where several extended family households worked on agrotourism and hog farming. The nearest town to her home had a population of less than a thousand inhabitants. Many people in this region cultivated non-irrigated crops such as olives, vineyards, and almonds. Lucia was in her mid-thirties when I met her. A mother of two pre-school age daughters, she made an hour-long commute twice a week to teach university level courses in Barcelona. Having people over to talk politics was something Lucia enjoyed. She

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was a member in a pro-independence civil society organization and participated actively in local politics, to the extent that she was offered – but declined – to run for a municipal elected office by two opposing political parties.

That night Lucia had invited her neighbors and fellow bondholders to talk about the conditions of the bailout and the future of the pro-independence movement. 'It is state debt. That's sacred. Paying bondholders will be a priority for the [Catalan] state,' said Albert, a 40-year-old fast talking salesman working for an agricultural machinery cooperative. 'But the bond is not guaranteed by the Spanish state,' I chimed in. A bit annoyed with my remark, Jordi interjected, 'Yes, but they [the bonds] have an entire government behind!' This political assumption was immediately unpacked by his brother-in-law Pere who added, 'Not only the Generalitat, but the bond is backed by Convergència.[3] That's even more guarantee because it's their responsibility. It gives you the impression that they [Convergència] would cut [the budget] to doctors or teachers before defaulting.'

This article examines how a traditional idea of the Catalan rural household was attached to a market in public debt during a period of increasing pro-independence demands and declining institutional creditor confidence. It documents the commercial life of a government bond to analyze what Michel Callon (2021) calls *affectio mercatus* – namely, a process of attachment through which market transactions are charged with sentiments, aspirations, emotions, beliefs, and memories. By looking at the transformation of the bond into a socio-technical device expressing nationalistic understandings of the household under economic austerity, my ethnography shows how this financial product became entangled with two distinct politico-affective registers: the struggle for Catalan independence since 2010 and the implementation of austerity measures after the 2009 Eurozone sovereign debt crisis. An attachment in the sense of *affectio mercatus* does not refer to a second order meaning attributed to an already existing product, which in this case is a public bond. An attachment is rather the result of multiple commercial encounters that transform a product – financial or otherwise – into a dynamic and powerful interpretative device.

Catalonia is the second largest autonomous community in population and one of the largest economies within the Spanish state. This comparably midsized European economy had a government budget of 40 billion euros and a public debt estimated at 33.5 billion euros at the time of my ethnographic fieldwork (2011–2014). When I arrived in Barcelona for the first time in 2009, Spain was already sorting out the financial mess created by savings banks during the housing boom, struggling with a growing recession, and battling record high unemployment. In July 2010, over a million people took to the streets of Barcelona to demonstrate against a High Court's verdict declaring invalid key sections of the 2006 Statute of Autonomy. This constitutional decision is regarded as a tipping point for the Catalan pro-independence movement.

Despite the dire economic and political situation, the 2010 bond issued by Generalitat of Catalonia was sold out before its deadline with an overdemand twice the size of the initial offer. During that year's presidential campaign, the bond became the subject of heated debates around public indebtedness, austerity policies, and Catalonia's independence. The left-wing coalition that put the bond in circulation lost the elections, but the incumbent right-wing government kept the bond market in place for three more years. After the 2012 bailout, Catalonia continued borrowing from Spain for repayment purposes until 2014. The money came from a fund established that same year by the Spanish state to lend directly to regions in exchange for compliance with strict budget deficit targets.[4] Catalan politicians across party lines perceived these loans as a 'source of dependence' on central government (Gray 2016, 233).

In the field, I traced out the path of the bond from the Ministry of Economy and Knowledge of the Generalitat of Catalonia to bank branches in Barcelona and nearby rural towns, and through an entire cycle of protests for independence, starting with the 2010 mass mobilizations for the right to decide and ending with the 2014 non-binding referendum for self-determination. My ethnographic methodology included focus groups with bondholders living in Barcelona and rural central Catalonia. By the time I met for dinner with Lucia and her neighbors, I had been working with her for over a year, attending national festivities and family gatherings. In addition to my fieldwork with Lucia and her extended family, I conducted participant observation with bondholders from Barcelona at an association of bank customers where I volunteered helping small savers understand their investments in government and corporate debt. I also developed ethnographic relationships with public servants and bank representatives with whom I spent time beyond their spaces of expertise.

I often accompanied my interlocutors to political rallies and civic assemblies. I had the opportunity to join massive protests known as the 'right to decide marches.' These demonstrations began in 2010 and continued the following years with thousands of families from all over Catalonia meeting up in Barcelona during the *Diada de Catalunya* (the National Day of Catalonia on September 11th). Examples include the *Vía Catalana* in 2013 (a human chain known as 'the Catalan way'), and a street protest in 'V' shape using two of Barcelona's largest boulevards that convey in a V-shape to evoke both 'victory' and 'vote' in 2014. My empirical material about the bond market was also collected through in-depth interviews with government officials, corporate lawyers, journalists, activists, and members of the Catalan Parliament. As I moved from one ethnographic site to another, I began to realize that the bond market and the pro-independence movement not only shared the same constituency, but they also shared the same household ethos – specifically, an extended family network with strong intergenerational ties connecting the city and the countryside. This made me question how the bond, in garnering government liquidity from household savings, developed into an instrument for the reinterpretation of austerity in terms of Catalan nationalism.

Anthropology has long studied the nexus between the market and the household (Collier 1997; McKinnon and Cannell 2013; Yanagisako 2013). The ethnographic record offers detailed accounts of shifting household arrangements in response to financial downturns (Weiss 2022; James 2021; Zaloom 2021; Palomera 2020; Suarez 2022). With the 2008 global mortgage meltdown, political economists studying financialization focused on the reconstitution of the household as another sphere of market relations (Rey-Araújo 2021; Adkins, Cooper, and Konings 2020; Cooper 2017). Cooper and Mitropoulos (2009) identified the frontier role of the household in organizing consumer credit and labor inequalities. My ethnographic reading of this argument understands the household as a financial frontier where the multigenerational management of familial wealth meets the needs of a cash-starving regional government.

Another important body of anthropological and sociological literature concerned with the expansion of finance highlights the political life of austerity (Narotzky 2020; Adkins 2018; Bear 2015). According to this scholarship, austerity is a driver of financialization. Laura Bear (2015, 198) characterizes austerity as the capture of fiscal policy by financial markets. The capturing occurs when nation-states manage their government budget as proof of their commitment to sovereign debt repayment. Under this austerity logic, all public expenditure reductions foster investor confidence, and any welfare state behavior spooks the market. My ethnography of the bond approaches austerity as a frontier logic of finance that not only constrains the state but also informs the distribution of household resources and responsibilities.

In conversation with these scholarship clusters and debates on financialization, I theorize the household frontier of finance as a commercial space in constant flux expanding into the political imagination of the nation. The scaffolding of this expansion was the transformation of savings deposits into investment accounts after the 2008 housing debacle. With the bond market, financialization is reoriented towards electoral secessionism, turning the household into a site for both the conversion of fiscal discontent into political capital and the translation of austerity into nationalism.

Catalan nationalism and austerity

'The bond was my idea,' said the Deputy of Public Debt and Financial Operations for the Generalitat of Catalonia. 'I put it forward in a meeting with the Economy and Knowledge Minister and the Financial Policy General Director. It was near the end of 2009, and we were brainstorming alternatives to finance our 2010 budget deficit,' said Mr. Ferrer during our first interview. Mr. Ferrer was an economist and highly experienced public servant. He had landed an entry-level job at the Generalitat only a year after graduating from college. Twenty-five years later, he knew very well his way around government, working for three consecutive administrations with very different political ideologies and constituencies.

Mr. Ferrer's idea was to sell bonds directly to people invested in the Catalan pro-sovereignty movement. He wanted to chop up 3 billion euros of public debt into 3 million bonds priced at 1,000 euros with an annualized yield of 4.45 percent, which meant people would receive in a year 44.5 euros for each bond. Mr. Ferrer called the bond *deute minorista* in Catalan, which can be translated into English as 'retail debt.' He also often used the term 'retail' as an Anglicism: *deute retail*. Mr. Ferrer put a cap on the investment amount. People could buy up to 12,000 euros in bonds. This restriction was strategic. The goal was not only to solve a serious liquidity problem but also to catch up with the pro-independence drive in Catalonia, therefore the more bondholders the better.

My initial meeting with Mr. Ferrer evolved into several in-person interviews and follow-up email exchanges extending over the course of almost two years. Mr. Ferrer also helped me set up interviews with government officials and find references to public but hard-to-find official documentation. During our sustained dialogue about the bond, I learned from Mr. Ferrer that Jordi Pujol, the first President of the Generalitat after Franco's dictatorship, had employed a similar bond to finance the needs of a nascent public bureaucracy. The issuance had taken place around the time Mr. Ferrer was hired in 1987. 'I knew this kind of funding strategy worked well during the transition to democracy,' said Mr. Ferrer specifying that, 'We just never used it again because there was cheaper credit available.'

In strict financial terms, the bond was a bad deal for the Generalitat as it offered near triple the rate of similar Spanish Treasury bills and the transaction fee paid to the banks was extremely costly (Gray 2014). However, the Catalan government did not have another alternative for raising liquidity. As Mr. Ferrer put it,

> bank loans and institutional investors were our usual ways of financing public expenditures, but now we could do neither. Banks were not able to lend us what we needed (…) and we got locked out from capital markets after international credit rating agencies downgraded our bonds to junk status.

Mr. Ferrer led a twelve person team responsible for financing yearly budgets, managing public debt, and coordinating money transfers with the central government in Madrid. 'We are not a big office, but we handle a great deal of paperwork as you can see,' said Mr. Ferrer, who was appointed in charge of the wholesale. Mr. Ferrer knew first-hand that for the bond to sell, it had to be meaningful and timely. Pujol's bond had been successful because Catalan nationalism was on the rise in the 1980s, and the Generalitat was the symbol of national reconstruction.

With this precedent and presided over by a left-wing coalition, in October 2010 the Generalitat of Catalonia announced the sale of a retail bond with an advertising campaign named *Inverteix en seny, Inverteix en el que som* (Invest in *seny*, invest in what we are). The Catalan word *seny* does not translate into other languages without losing nuance and specificity. It broadly means a vernacular style of good judgment informed by rural ethics of hard work and frugality. The term *seny* belongs to a long-standing tradition of Catalan nationalism associated with the rural household as a space of belonging and resistance to linguistic assimilation (Dowling 2013; Alland and Alland 2006). Since the late nineteenth century, the countryside estate (*la casa pairal)* came to embody the idea of a Catalan nation in opposition to the Spanish state (Llobera 2005, 56). With Francesc Marcià's 1934 campaign called 'the small country house and the kitchen orchard' (*la caseta i l'hortet*), the rural household became a slogan for leftist electoral politics that romanticized domestic agricultural life and reimagined the relationship between the countryside and Barcelona. Marcià was the first President of the restored Generalitat of Catalonia under the Second Spanish Republic (1931–1939).[5] He was also a founding member of the republican party within the left-wing coalition in office.[6] His slogan was meant to evoke the virtues of *seny* – laboriousness and thriftiness – as a moral code for economic life within the 1931 three-day lived Catalan state (DiGiacomo 1987).

Naming the bond with a nationalist buzzword like *seny* was partly aimed to mobilize widespread fiscal discontent associated with the 2006 autonomy law that gave minimal taxation independence to Catalonia. When the bond was issued, the Generalitat was still negotiating a new fiscal agreement with Spain to opt out from the common regional financing system.[7] The Catalan-Spanish conflict over the regional financing system was known as the fiscal deficit (*dèficit fiscal*), a loaded term referring to a long-standing controversy about taxation and public expenditure. Nationalist political parties had been arguing for decades that Catalan taxpayers gave more to the Spanish state than they received in provisions, services, and infrastructural investments, so there existed a 'historical debt' between Spain and the region. By 2010 there was cross-party consensus on the need for a fiscal agreement between Catalonia and the Spanish state like those granted to the Basque country (*Concierto)* and Navarre (*Convenio*).[8]

A new fiscal agreement never came to fruition, but the background context of the issuance is relevant because taxation plays a key role in demarcating the financial significance of the household (Adkins, Cooper, and Konings 2020). Unlike the American context, where tax incentives seek to reproduce the nuclear family while dismantling welfare institutions (Cooper 2017), the Spanish fiscal structure promotes the reproduction of extended family networks to cover for the inadequate provision of welfare services. This model burdens the household with intergenerational care responsibilities and intrafamilial transfers of resources (Narotzky 2021; Rey-Araújo 2021; Comas-d'Argemir and Soronellas 2019).

By framing the bond in terms of *seny*, the Generalitat was targeting this household formation as a creditor of last resort. The marketing campaign was meant to detach the Catalan household from other extended family configurations within the Spanish state and reattach it to a nationalistic ideology of kinship. This commercial intervention was instrumental to bring Catalan identity politics into the financialization of the household. Moreover, the ethico-political significance of *seny* – laboriousness and thriftiness – put the bond in sync with the shift in European fiscal policies that moved from social spending to austerity measures. In Spain, according to Pedro Rey-Araújo (2021, 188), the austerity shift began in May 2010 and was completed in August 2011, when a constitutional reform preemptively committed the state to privilege sovereign debt repayment over any other political obligation.

The anthropological debate on austerity highlights the different ways in which the depletion of public assets creates global landscapes of financial extraction (Rakopoulos 2018). In comparing Eastern and Southern European processes of peripheral financialization, Fabio Mattioli (2020, 68) observes that austerity serves as a disciplinary mechanism to normalize structural inequalities among European countries. According to Mattioli, financial regulators, multilateral banks, and Northern European conglomerates often force peripheral countries like Macedonia and Spain to embrace financial reforms to further deregulate the market and reduce the size of the state. In a similar line of thought, Laura Bear (2015, 198) argues that austerity is a style of fiscal governance in which public servants like Mr. Ferrer are confined to trimming budgets and shuffling credit sources.

What the critique of austerity tends to overlook is how and why everyday people support policies that go against their own best interests or ideological beliefs. Some answers have been drawn from psycho-historical excursions into human economic behavior. For instance, Keith Hart (Hart 2018, 30) suggests that people accept austerity policies favoring the rich because they remember and are afraid of postwar starvation. My approach looks at the attachment process holding the austerity dogma together. The narrative of *seny* offered an austerity vernacular attuned to the politics of independence, providing a sense of collective purpose in the face of extreme financial uncertainty. *Seny* became synonymous with domestic self-sufficiency by reaching back to an agrarian kinship system based on inherited property and translating austerity into a moral stance distinctive to Catalonia. In the spirit of *seny*, austerity was attached to a particular way of imagining the nation as a network of extended family households connecting the countryside and the city. This translation of austerity into *seny* made it possible for the Generalitat to summon Catalan households in rural and urban areas to invest their savings in funding government institutions while at the same time eliminating 63 public services and reducing over 300 million euros in healthcare and social services (Sánchez 2010). This seeming contradiction in which people are motivated to support the Generalitat while its welfare institutions are being defunded shows that financial frontiers are political processes that people are not drawn into for lack of choice or economic interest alone.[9] On the contrary, people develop nuanced and often paradoxical political engagements with austerity, using finance to express beliefs and emotions, as is the case with the nationalistic sentiments and statehood aspirations attached to the bond market.

Household investors and the turn to secessionism

In November 2010, Artur Mas was elected President of the Generalitat of Catalonia by a right-leaning coalition.[10] Mas had campaigned against the bond weeks before election day. He claimed the bond was too expensive for the Generalitat and did not show too much *seny*, by which he meant common sense.[11] Mas promised to make 'a better market for Catalonia' without mentioning the looming dangers of short-term public debt for the region. By then, newly elected authorities were aware of the need to expand the bond program for another 6.3 billion euros. 'We just couldn't put a budget together without borrowing from citizens,' said Mr. Ferrer.

A better market in that context meant a larger one. The Generalitat issued a two-year bond in addition to the one-year option and continued imagining the pro-independence movement as a target investor. They dropped the name *seny* and shifted the narrative towards the deteriorating relationship between Catalonia and Spain. The idea was to make the bond ride the 'wave of secessionism' by attaching the market to the 'right to decide' slogan that loosely articulated pro-independence organizations. Investing in the bond would send a clear message to the central government in Madrid: we Catalans know this is not an election, but we can vote with our wallets to show you what we really want, independence. I heard the phrase 'you can vote with your wallet' several times from my research respondents, mostly in a slightly humorous tone, and mostly in Barcelona.

This discursive reorientation did not replace the household ethos of the bond market. The bond was increasingly perceived in terms of extended family relations in so far as Catalan secessionism was entwinned with a national identity process. In it a sense of fictive kinship played a more significant role than ethnicity in drawing in-group/out-group boundaries between Catalans and other regional and national identities within the Spanish state (Crameri 2014, 146). This does not mean that the entire secessionist movement shares a sense of fictive national kinship. There certainly exist other forms of political mobilization for independence in Catalonia: some are collectivistic, and others are individualistic; some come from the right, and others come from the left. What became evident to me was that the new government held to the ideology of Catalan kinship that lies behind the traditional rural household. Mr. Ferrer got me an interview with his boss to talk about the bond. The newly appointed Financial Policy General Director (FPGD) was a high-ranking banker and a self-proclaimed sovereignist. The term sovereignist is an adjectivization of the Catalan 'sovereignist process' which is different from secessionism in that the former puts the emphasis on the right to decide while the latter highlights the separation from the Spanish state. In our meeting, he characterized the bond as a 'household investment' (*inversión familiar*) in distinguishing it from institutional investments.[12] He explained to me that institutional investors understood the market in technical terms, while household investors tended to misread financial information, being oversensitive to 'bad news' that often did not affect public debt transactions. For instance, Catalan household investors perceived budget cuts as a sign of insolvency rather than a commitment to debt repayment.[13] 'Before each issuance we've been very careful about showing solvency … we've paid our suppliers on time … and tried to disclose bad news at least two months ahead of any scheduled issuance and never within forty or fifty days before our deadline,' said my interviewee.

Horacio Ortiz (2021, 236) argues that the concept of investor is not a descriptive category but a regulatory process for the production and distribution of money by the financial industry. In Ortiz's view, the investor is more an ideal image than an embodied social group. The investor is an industry concept connecting diverse financial practices such as 'the definition of procedures, the choice of data, the division of tasks, the relations within and between companies, and financial regulators' (Ortiz 2021, 240). In addition to being a highly formalized category defined by financial theory, the investor is a political imaginary that gives meaning to the work of financiers.

In this light, the concept of Catalan household investor is a political imaginary that combines financial theories of investment developed by the industry, the experience of public debt managers like Mr. Ferrer, European regulations on retail investment, sovereign debt restrictions and austerity requirements, and the image of the traditional Catalan household mobilized by the bond's marketing campaign – namely, the extended kinship family system connecting the countryside and the city. What counts as household investor is the result of a process of singularization that transforms the bond into a multiplicity of unique relationships between the Generalitat and the households invested in this market. The devices for collecting and processing data are as instrumental in singularizing the bond as the devices for expressing and communicating ideas such as the right to decide. In Callon's (2021, 259) words, 'There is no market without *affectio mercatus*.'

The concept of household investor employed by the Generalitat, which I claim expands the notion of household frontier, was not an exclusive government elaboration. The Catalan household investor was the latest iteration of an industry category developed by savings banks to inject liquidity into a wrecked financial system after the 2008 mortgage crash. During the boom years (1995–2008), Spanish savings banks built the largest bank branch network in Europe, outnumbering commercial banks in loans, deposits, clients, and the number of offices and employees (Ruiz, Stupariu, and Vilariño 2016). In this period, the mortgaged household was the center of gravity of banking and housing credit was the lifeblood of financialization. By 2009 the entire banking system was undergoing a far-reaching institutional reorganization led by the European Central Bank (ECB). The Spanish government put in place mechanisms to recapitalize banks on the brink of bankruptcy, and savings banks were reduced from 45 to 17.[14] Some were absorbed by bigger banks, others changed their governance structure and converted into commercial banks, and still others were nationalized to prevent liquidation (López and Rodríguez 2011).

Desperate for liquidity, from 2008 until 2011, Spanish banks engaged in what came to be known as the 'war for deposits' from which the household investor partly emerged as a political imaginary. In the field, I spoke with a corporate lawyer who led a crisis management team hired by the main bank responsible for the wholesale. This financial strategist characterized the 'war on deposits' as the commercial environment that transformed financial behavior in small savers. The war on deposits was not yet about investment, but it was the beginning of a transition in the household frontier from housing credit to asset management.

In explaining the negotiations of the bond between the Generalitat and the banking sector, Mr. Ferrer remembered that the first issuance of the bond was delayed due to a competing corporate debt market. 'We tried to sell retail debt earlier, but three major banks involved in the allocation initially opposed because they had their own financial product aimed at small investors. It wasn't until that market started failing that we were able to issue our bond,' said Mr. Ferrer. This corporate debt market was the original commercial milieu of the household investor. The market included a range of financial instruments from preferred shares to various forms of subordinated debt. It was created in the late 1990s for institutional investors and repurposed in 2008 to withdraw fresh cash from savings accounts. These corporate investment instruments paid a significantly higher accrual rate than savings deposits. All of them were high-risk financial products that people bought in perpetuity by opening an investment account. The market was part of the stock exchange system, but its everyday functioning depended on bank branches expediting trades by connecting buyers and sellers recruited among the bank's savings depositors. Corporate debt was sold mostly to older adults who, as mentioned earlier, were burdened with sustaining household economies impoverished under economic austerity.

The 14 banks involved in the sale of the bond were part of this market. Keeping in sight the overlapping temporalities between the market in corporate debt and the market in public debt is relevant because bank branch offices' physical space played a key socio-technical role in imagining the category of household investor within the Spanish financial industry.[15] In small towns, bank branch managers were known by name to the community. This same familiarity was also common in many neighborhood offices of medium-sized cities like Tarragona. Even in some metropolitan areas of Barcelona customer service performed everyday reenactments of such a village-like atmosphere of care and trust. These sustained in-person encounters were the scaffolding of markets – both corporate and government – through which savings deposits were transformed into financial assets. Branch bank offices, understood as a socio-technical device, were as important as any financial method to fabricating the political imaginary of the household investor. It was at these offices where banks learnt about concrete needs and wants on the part of working- and middle-class families. Moreover, the financialization of familial wealth in Spain would not have been possible without a common perception of banking as a caretaker, which, to my surprise, was still upheld against their own recent history by many bank customers with whom I spoke.

In summary, this section shows how the work of financiers inside and outside government co-produces the concept of household investor through a series of technical and regulatory interventions aimed to make liquidity. The local bank branch network is essential in the process of attaching affect and meaning to domestic markets which, unlike most others, are built upon face-to-face interactions and long-term relationships. Household investment, then, is not the opposite of institutional investment as the director of fiscal policy suggested. Instead, it is a political imaginary that the Spanish commercial banking sector employs to produce and distribute money. In my ethnographic case, the figure of the household investor draws on a Catalan kinship ideology to generate liquidity for the government.

Catalan kinship and the household frontier of finance

The scholarship on financialization also documents how austerity is experienced, negotiated, and contested (Prats Ferret, Baylina, and Guitart 2021; Bear and Knight 2017; Muehlebach 2017). In the Spanish context, Susana Narotzky (2021) shows how austerity politics produces a dialectical process in which kinship and class collide in ways that demobilize workers. On the one hand, elderly parents with working-class backgrounds are constrained to provide for their adult children and grandchildren as pensions are for many the main source of income. On the other hand, jobless young adults find themselves isolated from any solidarity network other than their families, while temporary workers are unable to organize into unions due to flexible labor contracts. What ensues from austerity is a household economy that absorbs intergenerational dependencies and antagonisms. Jaime Palomera (2020, 138) also documents increasing generational interdependencies among working-class families from Tarragona, where pooling resources to make ends meet constitutes a matter of survival under economic austerity. Palomera, however, recognizes that mortgage indebtedness allows some families to acquire new asset holdings and get more access to credit.

The interlocutors I present in this article may be qualified as middle-class Catalan families living in rural areas, yet such categorization does not provide much insight into the socioeconomic makeup of the market. Adkins, Cooper, and Konings (2020) argue that financialization has transformed traditional class formations. In their view, inequality and exploitation no longer work through binary class divides such as the antagonism between employers and employees or the power differential between creditors and debtors. The authors develop the notion of 'household liquidity' to illuminate how asset ownership and inheritance are redrawing class and gender divides in financialized societies. From a somewhat similar perspective, Hadas Weiss demonstrates the centrality of distributive work within extended family networks in Madrid. Weiss (2022, 115) observes that young adults are more concerned with optimizing extended family resources than with waged labor.

In my fieldwork, I also observed how kinship was gaining prominence over class in shaping household inequalities. 'You need to understand the concept of the *hereu* if you are studying Catalan nationalism,' said Lucia. 'Catalonia is not Barcelona and rural life has its own logics,' she alerted me. The understanding of *seny* in reference to kinship developed within a traditionalist brand of Catalan nationalism known as *Pairalisme*, associated with rural elites, in which patriotic sentiments evoke family commitments. This nationalist discourse understands *la casa pairal* (the country household), from which derives the term *Pairalisme*, as a socioeconomic model for the Catalan nation (Llobera 2005). The kinship architecture of rural household relations was based on a marriage-inheritance system organized around the figure of *l'hereu* (the heir). The *hereu* was a pre-capitalist kinship institution distinctive to northern Catalonia. It appeared in the Pyrenees to avoid depopulation and land concentration in the countryside, remaining central to Catalonia's rural economy throughout the 19th and early 20th centuries. The *hereu* was usually the eldest son of a patrilocal marriage who received an indivisible inheritance with a strict set of kinship responsibilities. The bequest included but was not limited to the whole countryside estate. In addition to the house and land, the *hereu* was bound to manage his family's wealth. For instance, the *hereu* was obliged to invest in the future of other offspring and underwrite all family business ventures. A woman could also inherit and oversee family assets on behalf of her siblings. She would be called *pubilla* and would be recognized as the sole female heir. However, she would be an exception rather than the norm (Llobera 2005, 52–53).

As a good anthropologist whose parents had migrated to Catalonia in the 1970s, Lucia understood the importance of kinship and migration in political and economic affairs. 'People are returning to the countryside because of the crisis; at least here they have a home and relatives to help them out,' said Lucia. Jordi was experiencing exactly what his friend Lucia described. He had moved to a rural town near Lucia's homestead to live closer to his bother-in-law, who was Lucia's neighbor. Jordi was married to a job-seeking geologist and had one kid. His construction business had gone bankrupt after the 2008 housing financial crisis. As with most of my young adult and middle-aged interlocutors, Jordi and his wife could not find more than temporary work in Barcelona during the recession, so they turned to family members for support. Pere – Jordi's brother in-law – oversaw his family estate and the agrobusinesses associated to it. He and his wife Laura lived with his parents, who needed later life care. Pere helped his sister and brother-in-law to start over in their new rural home.

My interlocutors had favorable yet suspicious views of the *hereu-pubilla* system. They were extremely knowledgeable in explaining to me how it worked, and they also recognized how traditional kinship obligations informed their everyday lives. For instance, Pere and Laura's story was a textbook case of the household heir's responsibility towards younger siblings. However, my interlocutors also expressed doubts about the political weight of the *hereu-pubilla* model, which was associated with non-secessionist conservative rural elites.

The figure of the *hereu-pubilla* appears and disappears intermittently in history and memory. Scholars have declared its legal obsolescence and political economic irrelevance time and again. However, the ethos of Catalan kinship reappears persistently in unexpected places and forms, sometimes stirring nationalistic sentiments, other times informing the gendering of household work, and still other times animating a financial market, as happened with the Catalan bond.

Let me circle back to the conversation with Pere and Jordi opening this article. They were part of a focus group with bondholders that my friend Lucia helped me organize in her home. Her husband Lluís, a 40-year-old civil engineer who quit his job at a mining company to set up a pork farming business and agrotourism operation, was also with us. There was also Albert who lived with his wife, two children and his parents in their nearby estate. Finally, there was Enric. He lived with his wife in a small rural house they had been able to buy with a mortgage after she joined the public service. Enric was in his early thirties and was the youngest at the table. Below is an excerpt from our interaction about the 2012 bailout explained in the introduction.

- I'm not worried. I know I will get my money back (Pere)
- And I assume that in the worst-case scenario the Spanish state would support the Generalitat. I just know that. What Spain would want in exchange? That I don't know. But I am certain that the central government would try to take advantage (Albert)
- I also think this is related to the national issue. I am sure there are people who, like me, trust more in the Generalitat than in the Spanish state. I have never thought of buying Spanish debt and it's been also a good deal during these years. The reason is because for many people Catalonia has a state, and that state is the Generalitat … . Catalonia, those who live here, we know that we must support the Generalitat because there is potential … we have small and medium-sized businesses that do not depend on large multinationals, and we know the country [Catalonia] is moving forward [secessionism]. So, we are future-oriented when it comes to Catalonia separating from the Spanish state. There are autonomous communities in Spain that do not have these expectations (Lluís, whose excitement increased as he spoke).
- This is a reflection I did when we bought them [the bonds]: If they invest – I mean politicians from both the tripartite [the leftwing coalition that issued the bond the first time] and Convergència [the political party in office] – there won't be a problem. There was no doubt, at least for me. If those who understand infinitely more than me, that I have no idea of anything, they tell me that I must buy, I do it [Albert – who was exaggerating as many MPs had been quoted in local newspapers saying that they will not invest in the bond].

Considering the negative and damaging effects of austerity policies and the bourgeoning number of anti-austerity movements in post-housing bubble Spain, the enthusiastic reception of the bond was an unexpected embrace of financialization. This encounter and the conversations that continued afterwards show how the idiom of kinship informs the relationship between the Generalitat and its bondholders. For instance, Albert, Lluís, Pere, or Jordi's words of 'support,' of 'sacred debts,' and of 'obligations despite default' were part of a nationalist discourse built around the idea of the patrimonial rural household. Furthermore, Albert's statement 'we must support the Generalitat because there is potential' in reference to the shift to secessionism resonates with a family-like duty to government that follows the logic of responsibility of the heir for their younger siblings. I heard many people talk about the Generalitat as 'an investment' beyond the bondholder figure. That sense of obligation to government institutions along with the defense of the Catalan language were deeply rooted in different traditions of Catalan nationalism and were integral to the *Pairalisme* way of imagining the Catalan nation as an extended kinship network.

Enric, who remained quiet but listened in agreement, asked me if bondholders in Barcelona were worried about not getting their money back and whether I saw any difference between bondholders from the countryside and the city. I explained that I had met most of my research respondents in Barcelona through an association of bank customers, and people often got involved with this organization because they were concerned about their investments. So, I did speak to bondholders from Barcelona who were less confident about the future of the bond.

The main difference between rural and urban bondholders I found was the amount attention given by the latter to the fiscal agreement negotiation. In Barcelona, bondholders justified their investment on the grounds that Catalonia was exploited by Spain through taxation. Some even knew official numbers produced by the Generalitat that suggested an annual fiscal deficit of 8 percent in relation to Catalonia's GDP. Unlike rural bondholders, whose engagement with the bond market was future-oriented, urban bondholders were more focused on the present and the mass media coverage of the *procés* (process) – as the Catalan struggle for independence came to be popularly known.

Although urban bondholders were less knowledgeable about the inheritance rules of *l'hereu*, they recognized the traditional rural household as a foundational institution of Catalan national identity uniting the city and the countryside. They were also capable of perceiving the *affectio mercatus* of the bond attaching statehood aspirations to an ethos of Catalan kinship. In this sense, the bond market did not produce secessionist households but organized nationalist sentiments around the promise of Catalan independence. The newness of my interlocutors' engagement with the market was the direction in which the bond pushed the boundaries of the household as a space of resistance to Spanish assimilation. It was not the relationship between the bond and bureaucracy (government and banking) that made the market a nationalist device. It was the relationship between the bond and the household that framed the market in opposition to the Spanish state.

Concluding remarks

In this article, I show how the Catalan bond expands the household frontier of finance into the realm of pro-independence politics. This expansion hinges on an ethos of Catalan kinship that weaves together austerity policies, banking practices, and statehood aspirations. I suggest that in the 2010s the Catalan term *seny* was much more than a conceptual hook with a nationalistic overtone for marketing purposes. It was a moral vernacular used to translate austerity into nationalism. A translation that ties together different and competing genealogies of the household as a space of socioeconomic distinction, linguistic resistance, and political potential.

In analyzing financialization through the lens of the household frontier, I also claim that the Spanish banking system redefined the role of the household after the 2008 housing collapse. Local banks elaborated the concept of the household investor to produce and distribute liquidity. When the mortgage market came to a halt, the figure of the household investor was reoriented towards the conversion of small savings into corporate forms of debt. This commercial environment provided the Generalitat with a financial infrastructure to allocate its bond across thousands of Catalan households. Here, the frontier between government and banking and between public and private is constantly crossed by financiers moving from one bureaucracy to another to keep money in circulation.

I have also made a case for understanding people's motivations to buy the bond as indicative that financialization is not an overdetermined technical process. The relationship between people and markets is complicated and cannot be reduced to a single model of human nature, exemplified by supply and demand theories of the market. Financialization in its form as household frontier is a space of experimentation and evaluation. In the case of the Catalan bond, financialization is a space where a financial investment becomes an identity marker and a political claim. The reaction of my interlocutors to the 2012 bailout illuminates how the field of finance is expanding into the realm of democracy, not only as an external power that controls the state, but also as a conceptual plane where financial figurations become political opportunities.

Finally, my ethnographic approach understands the financialization of the household as a sociotechnical process of attachment of affect, meaning, and money. The attachment process of Catalan nationalism to a market in public debt occurs in minor spaces like a government office, in ephemeral encounters at bank branches, and through everyday conversations about the need for negotiating a new financial agreement between Catalonia and Spain. The idea of a financial frontier for Catalonia refers to the political purpose of the bond. It points to the excitement in the reception of a market among families with enough resources to put aside anything between 1,000 and 12,000 euros for one or two years. The Catalan financial frontier I have described in this essay calls attention to the transformation of the household into a space for the production and distribution of liquidity and nationalistic sentiments.

Notes

1. The Generalitat de Catalunya – or Government of Catalonia – is the political institution governing the autonomous region of Catalonia.
2. All names in the article are pseudonyms.
3. Convergència is short for Convergència Democràtica de Catalunya – CDC (Democratic Convergence of Catalonia). CDC was a Catalan nationalist, liberal political party built around the figure of Jordi Pujol. In July 2016, CDC was renamed the Catalan European Democratic Party – PDeCAT.
4. Fund for the Financing of Autonomous Communities (*Fondo de Financiación a Comunidades Autónomas, FFCA*).
5. The Generalitat of Catalonia had been abolished after the War of Spanish Succession (1701–1714) and was abolished yet again in the aftermath of the Spanish Civil War (1936–1939).
6. The presidency of the coalition was in the hands of the Socialist party (*Partit dels Socialistes de Catalunya – PSC*), with the backing of the Left Catalan Republican party (*Esquerra Republicana de Catalunya – ERC*), and the Catalan Green Party *Iniciativa Per Catalunya Verds – ICV)*. PSC had long advocated for a federalist solution, while ERC was a radical independentist party, and ICV housed supporters for both federalism and secessionism.
7. The common regional financing system includes: the Fund for the Guarantee of Fundamental Public Services, Global Sufficiency Fund, Competitiveness Fund, and Cooperation Fund.
8. The *Concierto* and *Convenio* are the names given to the fiscal model of the Basque Country and Navarre Autonomous Community respectively. Also known as the foral system, *Concierto* and *Convenio* allow these provinces to collect and spend their taxes without interference or much scrutiny from the Spanish central government. Only these two Spanish autonomous communities are part of the foral model; all other provinces must transfer most levies back to the central government in Madrid for management and redistribution. See (Gray 2016) for a political economic analysis of the Spanish financing system and its role in the emergence of secessionism in Catalonia. See (Crameri 2014) for a discourse analysis of the 'fiscal pact' and the 'fiscal deficit'.
9. I thank a generous anonymous reviewer for calling my attention to this point.
10. Artur Mas was the President of a government coalition called *Convergència i Unió – CiU* (Convergence and Union). It was formed by the mostly liberal *Convergència Democràtica de Catalunya* – CDC (Democratic Convergence of Catalonia) and the conservative *Unió Democràtica de Catalunya* – UDC (Democratic Union of Catalonia). The coalition remained in effect until June of 2015, when a growing secessionist faction within *Convergència* clashed with moderates from *Unió*, ending their political coalition.
11. Llobera (2005, 74) also identifies the Scottish philosophy of common sense as the main theoretical source of *seny*.
12. I translated *inversion familiar* as household investment instead of family investment to avoid confusion with the financial category.
13. My interlocutors at the Generalitat and the banking sector used Catalan households when talking about investors because over 80 percent of the bonds were sold to people who lived in Catalonia.
14. In 2009 Spain created the 'Fund for Orderly Banking Restructuring' (FROB) and the SAREB (a public asset management company). The SAREB was meant to 'help clean up the Spanish financial sector,' as stated in their official website. It managed assets transferred from four nationalized bankrupted banks.
15. See (Chumley and Wang 2013; Lépinay 2011) for anthropological analyses of physical spaces and their different roles in the field of finance.

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