UNIVERSITY OF SOUTHAMPTON

FACULTY OF SOCIAL AND HUMAN SCIENCES

School of Geography

Everyday Finances and Consumption in Brunei Darussalam

by

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ABSTRACT

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After the financial global crisis in 2008, there has been a growing interest in studying financialisation in economic geography mainly in Anglo-American societies. Most attempts in understanding finance in Geography focus on macro level finance culture i.e. examining financial structures and institutions. With financial liberalisation, financial institutions play a significant role in influencing the financial markets in Anglo-America while government interference has been declining. Social scientists such as Langley (2008) and Lee et al. (2009) identified a dearth of literature in economic geography that focuses on everyday personal finances of consumers and relate consumers' borrowing culture to their consumption patterns which are shaped by social intermediaries including governments, family and traditions. This thesis fills this gap in contemporary areas in economic geography. The aim of the thesis is to examine the development of personal finances and consumption in Brunei Darussalam.

Brunei makes a relevant case study due to its distinctive evolving personal finance and consumption culture where the government plays a significant role through the monitoring and regulating of financial institutions. Regulating Brunei's financial structure was a pro-active action taken by the government to address problems of Bruneians' dependency on borrowing to consume rather than as a reaction to the global financial crisis. Moreover, this study shows how individual choices and actions as well as traditional cultural intermediaries (du Gay et al., 1997) particularly the family and traditions shape Bruneians' financial access and consumption culture. My thesis demonstrates that financialisation and consumption culture are not homogenised across different geographies, thus stresses the importance of acknowledging and need to consider social and cultural practices of consumers and governments in order to understand the financial and consumption culture and development of different societies.

By employing mixed methods in particular qualitative research methods, this thesis also presents empirical evidence of the transformation in financial culture and identifies functions and motivators of consumption that affect consumers' everyday finances in Brunei which are different from other geographies including Anglo-America.

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Academic Thesis: Declaration Of Authorship

I, Dk Noor Hasharina Bte Pg Haji Hassan

declare that this thesis and the work presented in it are my own and has been generated by me as the result of my own original research.

Everyday finances and consumption in Brunei Darussalam

I confirm that:

1. This work was done wholly or mainly while in candidature for a research degree at this University;
2. Where any part of this thesis has previously been submitted for a degree or any other qualification at this University or any other institution, this has been clearly stated;
3. Where I have consulted the published work of others, this is always clearly attributed;
4. Where I have quoted from the work of others, the source is always given. With the exception of such quotations, this thesis is entirely my own work;
5. I have acknowledged all main sources of help;
6. Where the thesis is based on work done by myself jointly with others, I have made clear exactly what was done by others and what I have contributed myself;
7. Either none of this work has been published before submission, or parts of this work have been published as: [please list references below]:

Signed:

Date: 8 November 2010

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List of Abbreviation

BAB	Brunei Association of Banks
BIBD	Bank Islam Brunei Darussalam
BND	Brunei Dollar
ETF	Employee Trust Fund
FID	Financial Institutions Division
HSBC	Hongkong and Shanghai Banking Corporation
MoF	Ministry of Finance
MEW	Mortgage Equity Withdrawal
ROB	Roll Over Balance
SCB	Standard Chartered Bank
TAIB	Tabung Amanah Islam Brunei

Chapter 1

1. Introduction

In 2008 many economies experienced 'the credit crunch', a financial global crisis instigated by financial liberalisation; securitisation and the excessive supply of new forms of money specifically subprime mortgage lending. Some critics have argued that lending facilitated new forms of consumerism, involving high materialism, affluence and excessive borrowing (Schor, 2002). Since the world wide debt crisis of 2008, governments have begun to regulate banking in order to avoid the problems of predatory and excessive personal lending. As a result of this, key questions arise as to how far, and in what ways, states can regulate personal credit and consumer practices. Brunei Darussalam is an excellent case study because it is an example of a country that has been experiencing a form of state regulated financialisation, especially in its lending sector, even before the global credit crunch. This financial loan directive, or financial reform, was implemented in 2005 by the government and witnessed the capping of personal loans to endeavour to control and reduce the Bruneians' debt binge and dependency on credit for spending. Consequently, Brunei's financial institutions, particularly banks, and its consumers have reacted and found loopholes to overcome the shortage of credit in order to maintain their consumerism.

This thesis examines two contemporary areas in economic geography: finance and consumption and how they are related. The aim of my research is to examine the evolving financialisation and consumption culture in Brunei. This investigation firstly examines the uneven development of financial structures and regulations implemented in Brunei and other geographies. This research is then focused on micro/meso scale of financing by considering consumers' uneven access to finance (Kempson et al., 2000) and consumers' everyday finance culture in the West and Brunei. Through analysis on consumers' particularly Bruneians' consumption of personal finance and commodities, the importance of spatial differences and differences between social groups in levels of access to finance (Kempson and Whyley, 1999) as well as social relations with social or cultural intermediaries that shape finance use (Langley, 2008; Lee et al., 2009) are recognised. The final section of my research examines consumption practices in Brunei and elaborates on how social relations play a vital role in influencing the consumer's consumption of commodities, which inevitably affects their finance use.

It is hoped that this research will fill gaps in geography for both finance and consumption literatures related to consumer spending and consumption culture. This is because the process of the financialisation of a country such as Brunei may vary across geographies, particularly with those in the US and UK where most research on finance and consumption is vast. It should be emphasised that this research is not a comparative study. Rather, this research can assist in enlightening knowledge of consumption and credit use outside of Western societies. The main contribution of this research explores the change in finance and consumption cultures in Brunei over time based on insights on personal choices and cultural intermediaires. The majority of research regarding personal debts and credit has often employed quantitative methodologies which more often provide trends but does not explain the experiences and practices of consumers. Therefore, using qualitative research methods is useful in understanding the general trends occurring in the consumers' everyday finances.

1.1 Assimilation of Finance in Everyday Life

Finance in economic geography has long been marginalised (Pike and Pollard, 2010). Until the beginning of the 1980s, geographers would have little to say about money and finance (Leyshon and Thrift, 1997, p. 159). Previous research on money and debts, including that in geography, has often examined the functions of money and/or the importance of money as capital or funds to fuel the global economy or industries of regions and localities (Leyshon and Thrift, 1997; Martin, 1999). Money influences people's motivation, attitudes and actions (Lim, 2003). Although money functions as a liberator for who that possess it, it can also bring about problems including: inflation, bankruptcies, unemployment, speculative bubbles, stock market crashes, increasing indebtedness and poverty (Lee, 1999). Money acts as a bridge for both economic and social relations and as a means of exchange across space and time (Giddens, 1990; Lee, 1999; Leyshon and Thrift, 1997). Money, particularly in its new forms, is an agent for social change (Baker and Jimmerson, 1992).

Credit refers to any form of loan and anyone who uses credit is known to be in debt because money is owed (Ford, 1992). Commercial credit offered by formal lending institutions including banks, retailers and subprime lenders are popular among consumers in the West. Ford (1992) believes that debt is not problematic if payment is made when it is due. Danes and Hira (1990) and Langley (2008) identify categories of credit users as: convenience users (a cardholder who paid the balance within the billing system) and instalment users or credit revolvers (those who decide to pay an amount less than the balance and to pay interest charges on the unpaid balance). The majority of over spenders and over indebted consumers use credit for instalment purposes as the amount repaid does not cover the total amount owed or used for the particular month. People's access to credit depends on regulations introduced by different institutions.

Bank lending, such as credit cards, is often globally honoured and is a form of credit which possesses lower financial charges compared to retail cards, which are localised to a certain retail establishment but possess higher interest charges (Medina and Chak, 1998). Consumers continue to access subprime lending because they are financial excluded. The U.S. subprime mortgage market which resulted in the global financial crisis in 2007, was a result of excessive exploitative lending and financial liberalisation, whereby financial institutions supplied new forms of money in the form of credit for consumers (Christophers, 2009; French et al., forthcoming; Langley, 2008; Lee et al., 2009; Pike and Pollard, 2010). The bust and booms of the financial system in Anglo-America affected the global economy and everyday life of consumers (Pike and Pollard, 2010).

> This 'crisis' – the scare quotes invoked simply to register that what constitutes a crisis varies widely between different peoples and institutions in different times and places – is generally said to have begun in the middle months of 2007, and has seen, especially in the USA and much of western Europe, house and stock prices plunge, consumer and institutional credit markets dry up, financial institutions collapse, and governments inject into national banking systems massive sums of public money in the form of cash, debt and even, latterly, equity financing. (Christophers, 2009, p. 807)

While some may celebrate the hold on predatory lending by subprime lenders during the crisis, consumers will have to divert much of their income to the repayments of their borrowings in the face of rising interest rates and the deepening divide between the middle class and less privileged financial ecologies (French et al., forthcoming, p. 29). After the global financial crisis, it became harder for consumers, even mainstream consumers, to access credit and loans from lenders.

Pike and Pollard (2010, p. 29) define financialisation as "the growing influence of capital markets, their intermediaries, and processes in contemporary economic and political life". French et al. (2008, p. 4) claim that financialisation involves "a wider transformation in economy and society, whereby the financial sector and financial markets come to occupy a dominant or quasi-dominant position in countries such as the US and the UK". A significant reason for the financialised economy and households in US and UK was due to the democratisation or liberalisation of finance by the state (Christophers, 2009; French et al., 2008; Langley, 2008; Lee et al., 2009; Pike and Pollard, 2010). French et al. (2008, p. 4) describe it as "the process and particular effects of the growing power of financial values and technologies on corporations, individuals and households".

There are several attempts to understand the process of financialisation by different schools of thought in the social sciences studying global finances including geographers (French et al., forthcoming; Pike and Pollard, 2010). These include; regulation theorists, critical accounting, sociocultural accounts, institutionalist and heteredox economic perspectives (French et al., forthcoming; Pike and Pollard, 2010). The idea of financialisation of everyday life "has emerged from culturally-inflected sociological accounts that takes their focus the ways in which money and finance interacts with everyday life within contemporary cultural-economies" (French et al., 2008, p. 11). Pike and Pollard (2010, p. 32) describe sociocultural accounts on financialisation of everyday life as:

> "commercially inspired selfhood" that conditions individuals to take on greater financial responsibilities and risks as personal pensions, private insurance, and investments have gradually replaced socialized, state-provided welfare benefits.

Similarly, Langley (2008) asserts that consumers' relationship with financial network has influenced consumers' everyday lives including their financial practices and consumption. He discusses how individual identities and everyday life are altered or influenced through enrolment in global finance. This approach provides researchers with advanced and significant understanding of the role that money and finance increasingly plays within contemporary life in particular within Anglo-American societies (French et al., forthcoming, p. 12).

French et al., (forthcoming); Langley (2008); Lee et al. (2009) and Pike and Pollard (2010) also claim that studies in this area are lacking despite its significance, especially with the global crisis and the way in which it has affected societies. Liberalising finances has not only influence consumers' everyday finance, it has also played a large part in allowing a new consumerism which essentially involves high materialism and affluence (Montgomery, 2009; Schor, 2002).

A review of the geographical literature on consumption and finance has shown limited coverage of financial flows on a micro scale, particularly in consumer practices and their use credit. This niche and its importance in today's credit saturated consumer society are at the heart of this research.

1.2 Consumption

Consumption has been important to the everyday life of consumers in England since urbanisation during the 1700s and prior to the industrial revolution (Glennie and Thrift, 1992). Glennie and Thrift (1992) believe that close proximity living in urban areas has brought about changes in social and economic relations and activities through consumption via novelty consumption and industrial revolution mass consumption. Consumption has been a popular activity in most Anglo Saxon countries and it is said to be the second top favourite activity by Americans (Bocock, 1992).

People's everyday life is tied to consumption, where consumption involves meeting or fulfilling needs and desires and maintenance of social relations between different social groups (Gershuny and Miles, 1983). Consumption also enables people to create and recreate their identities, express their selves and develop lifestyle cultures built around their preferences and consumption practices including diet, fashion, music and taste for leisure (Featherstone, 1987, p. 55).

Globalisation and improvements in technologies and communications are said to have allowed the information flow and speeded reinvention of consumer identities. The mass media and popular culture, which erupted after the Second World War, played a major role in affecting consumption practices and culture (Hebdige, 1979) leaving governments concerned about social and economic implications of globalised homogenisation consumption such as McDonaldization (Ritzer, 1993), Disneyization (Bryman, 1999) and the rise of the Credit Card Nation (Manning, 2000). This includes Western materialist values which have been imported along with the abundant Western brands and goods flown into Asia (Wong and Ahuvia, 1998). This is evident in Chua's (1998, 2000) work relating to the shift in frugality to spendthrift consumer culture in Singapore. Transformation in the consumption culture funded by greater access to financing (Schor, 2002) leaves an imprint on the economic and cultural processes of different geographies hence making it an increasing area to study.

1.3 New Economic Geography

> Although consumption studies now dominate large areas of social and cultural research, relatively little attention has been paid to the consumption of financial products and services. (Cook et al., 2009, p. 133)

Previous research on finance and money in economic geography has focused mainly on the processes of globalisation and the formation of global networks particularly global cities (Sassen, 2001) and financial exclusion based on location (Leyshon and Thrift, 1996; Leyshon et al. 2004). However, interest in finance in Economic Geography has expanded to include accounts of transformations in financial network and the uses of finance in Anglo-American societies, especially after the global economic crisis erupted in 2008 (Christophers, 2009; French et al., forthcoming; Lee et al., 2009; Pike and Pollard, 2010) as well as consumerism (Cloke et al., 2005; Goss, 2006; Mansvelt, 2005).

Pryke and du Gay (2007, p. 337) believe that new studies on finance falls under the umbrella of Cultural Economy where researchers use "interdisciplinary inquiry to show how finance works and how debates about finance might be productively progressed". Most previous studies on finance have focused on the supply of finance or finance production and competition. Langley (2008) argues that, rather than separating finance from society, as is often done by scholars in the Social Sciences including Geography, it is just as important to understand the ways in which transformations in everyday spaces, practices and identities influence the financial system and the consumers' relation to it. Pike and Pollard (2010, p. 31) assert that the way forward in Economic Geographies of Financialisation is to investigate and understand the extending social, spatial and political reach of financialisation.

Some researchers have combined the study of finance and consumption in their research, particularly with the growing importance of high borrowings and materialism (see Cook et al., 2009; Montgomerie, 2009; Searle et al., 2006; Smith and Searle, 2008; Stenning et al., 2010). Furthermore, economic geography has always placed great emphasis on issues related to the location and distribution of economic activity as well as uneven geographical development (MacKinnon and Cumbers, 2009).

Lee (2002) argues that researching economic geography should not be restricted to only examining supply and demand. Economic geographers, Lee argues, need to study social, cultural and political processes that occur in different places that affect both production (in this case finance) and consumption (of finance of consumers). Similarly, du Gay et al.'s (1997) research using the circuit of culture best emphasises the importance of "cultural intermediaries"[1] which shapes the culture of supply and demand in society. Using these concepts, it is hoped that researchers can study the urgent need to understand material, social, political, and cultural consequences of financialisation which has become one of the more significant studies in today's Economic Geographies (Pike and Pollard, 2010; Lee et al., 2009).

Similarly, Langley (2008) and Pike and Pollard (2010) highlight the need for researchers to acknowledge the important processes that occur and are unique to different spaces or geographies, which can explain the uneven process of financialisation:

> The growing social and geographical scope and extent of financialization has drawn existing and new agents and sites into often reconfigured roles and relationships within the financial system, broadening and deepening the reach of finance capital. …Following calls for more holistic views of the circuits of capital across different sites and spatial scales (Courlet and Soulage, 1995; Hudson, 2005; Pollard, 2003; Smith et al., 2002; Clark, 2005), our reading of financialization connects hitherto relatively discrete and separate spatial circuits of finance, especially in linking the domestic realm of people, families, and households with the international financial

[1] Cultural intermediaries (Bourdieu, 1984) include social and cultural institutions such as the family, governments, and social groups that can affect suppliers or producers and consumers through the cultures and regulations practiced.

> system (French, Leyshon and Wainwright forthcoming; Langley, 2007).
> (Cited in Pike and Pollard, 2010, p. 37)

McDowell (2009) questions as to what extent we can generalise ethnographies and case studies of particular economic landscapes. It is important to understand "situated" cultural and economic processes that occur within localities such as Brunei and to compare these with other geographies, particularly in the widely researched Western finance and consumption context.

1.4 Background Information on Brunei Darussalam

Brunei Darussalam has a rich supply of hydrocarbon. Oil and gas form more than 90% of exports and more than half of Brunei's GDP, allowing the welfare state to finance a lifestyle that places the country in the top 10 of the UN Human Development Index (Oxford Business Group, 2008). The country's social lifestyle is mainly shaped by Islamic traditions and it upholds a Malay Muslim Monarchy concept that filters through the social and political structure in Brunei. It has a total population of just under 400,000 people. The majority of the population lives in or near the capital city, Bandar Seri Begawan, where most of the government institutions and non-hydrocarbon industries and firms are situated. The class system in Brunei is complicated as class position is closely tied to hereditary class status and other kinds of class locations designated through titles which are not based on lineage such as achievements, income and occupation.

Financial practices in Brunei's urban landscapes are distinctive in comparison to most Western nations. The discovery of oil and gas, and the achievement of political independence in 1984 were two milestones in the transformation in the local consumers' purchasing power and consumption patterns. Furthermore, the government's policies imposed by the 28th Sultan of Brunei, emphasised social and economic development that have brought about significant improvements in the standard of living and lifestyle for Bruneians. The unique policies development of the Brunei government raises important questions about existing understandings of consumption and financialisation when compared to that of other geographies such as Anglo-American societies.

State provided services and subsidies in Brunei have been made possible because of the benefits reaped from high oil and gas prices, which continue to be the main sources of income for the country. Two important elements of government policy which have made living comfortable and increased consumers' purchasing power are: the presence of subsidies and the provision of allowances. Some of the subsidies provided by the government include fuel or petrol for cars, gas for cooking (about BND$176 million[2] annually), electricity, water, rice and sugar (Brunei Resources, 2008). Free education is given to locals up to university level (about BND$470 million annually). Medical and health care including travelling overseas for treatments not available in Brunei (BND$500 million yearly) are available free of charge for Bruneians (Brunei Resources, 2008). The government provides cheap resettlement housing schemes from Kampong Ayer or the Water Village in Bandar Seri Begawan to land[3] mainly due to fire. There is a national housing and the government subsidises payment of private rentals for government workers. There are no personal income taxes and pensioners receive complete subsidies or pension fund from government (Brunei Resources, 2008). Levels of subsidy have been changed recently with the introduction of TAP or Employees Trust Fund whereby the government enforces 5% of every government worker's salary to be paid into the employees' trust fund instead of paying monthly pension to the civil service pensioners.

With more Bruneians leaving traditional occupations, such as fishing and farming, due to higher educational attainments encouraged by the government has resulted in the Brunei government becoming the dominant supplier of paid employment with about 60% of the total workforce in Brunei. This is largely due to higher salaries and benefits in the public sector. The labour workforce is predicted to be 286,800 workers by 2010 and is reported to have a youthful population with about 182,200 people in the workforce in 2007 (Oxford Business Group, 2008). Benefits include an annual performance bonus, a fixed leave and passage allowance[4], an

[2] Throughout this dissertation I will be using Brunei Dollars (BND) for the value of money. £1.00 is equivalent to BND$2.13 on 7 September 2010 from HSBC Brunei.

[3]Houses in Kampong Ayer are mainly made of wood and are in close proximity to one another making the spread of fire rampant. The government's Housing Development Department's functions have expanded from a department which at the beginning only had to resettle the residents of Kampong Ayer (Water Village) on land to one entrusted with providing housing to the rest of the residents of Brunei Darussalam (Housing Development Department, 2009).

[4] 3 yearly allowances where it is usually a fixed amount given to the individual to use on leave after every third year anniversary of his/her service with the government to go abroad, 10 years allowance given to the individual after 10 years of service originally for him/her to pay for air ticket and day allowance for a holiday to the UK and children concession allowance is worth similarly to the 3 years allowance but the money given in this category is for the air ticket and expenses for 4 children not exceeding the age of 18 years old.

educational allowance (subsidised by the government if the parent decides to register his/her children to a private school rather than the free government school), a conveyance loan (BND $12,000 worth of interest free loan to purchase a car), and a housing loan which is an interest free loan where the amount of credit given depends on years of service left and monthly income (Ministry of Finance, 2010).

During the course of my own research, it became clear that banks and retailers have given priority for loans or credit facilities to civil servants and those working for the very few established private sector jobs such as Brunei Shell Companies. The importance of public sector employment, the relatively slow growth of manufacturing or industries away from the hydrocarbon sectors, and the high local dependency on social provisions and services from the government have lead to growing concerns about how long the government would be able to sustain being a welfare state and continue to maintain Bruneians' dependency on the government. Nevertheless, Bruneians more often express their modernity through their consumption patterns and the country is often seen as a highly status driven society. The luxurious lifestyle has not only been funded by money earned, but also by money borrowed from banks whereby some consumers will borrow to an amount they will never own leaving themselves buried in debts (Hasib, 2008).

The welfare state governed by the Sultan has always put social wellbeing of Bruneians as central:

> The Sultan has thus undertaken to subsidise oil and basic foodstuffs, for example, as part of this understanding[5], despite the increasing cost of doing so. The benefit is continued social harmony, a vital and important goal, particularly at a time when other nations are experiencing turmoil from rising prices and market volatility. (Oxford Business Group, 2008, p. 13).

The government's comprehensive welfare system, the shift from traditional to better paid government and private sector jobs and access to bank lending have helped to make living comfortable, increase purchasing power and consumption lifestyle.

Brunei's banking system has a considerably shorter history in comparison to the Anglo-American banking system. Since 1935, the first Brunei bank was called the Post Office Savings Bank but most of the records and documentation of the bank was destroyed during the Japanese occupation (Ebrahim and Tan, 2001, p. 327). A few financiers from banks and FID recalled during interviews that in the 1960s and

[5] The relationship the Sultan and his government have with his people as central.

1970s, applying for any loans including personal loans was difficult and needed collateral unless the borrower or consumer has already established a relationship with the banker. Collateral often involved a piece of land or house owned by the consumer. Only after international banks were established in Brunei, for example, Hong Kong & Shanghai Bank (HSBC) followed by Standard Chartered Bank (SCB) that borrowing for personal consumption such as personal loans became less stringent and competitive and was often based on the consumer's salary and employment[6].

Banks in Brunei are regulated by the Ministry of Finance (MOF)[7]. The Financial Institutions Divisions (FID) in particular is given supervisory authority over banks and other financial institutions in Brunei. Currently, there are seven conventional banks and an Islamic bank[8]. There are three finance companies, which are subsidiary companies of the few leading banks in Brunei, namely: Baiduri Finance, HSBC Finance (Brunei) and BIBD At-Tamwil (Oxford Business Group, 2009). As noted above there are both conventional and Islamic banking systems operating in Brunei, leaving Bruneians with the option of banking with conventional and/or Islamic banks. This emphasises geographies of financial culture whereby not all Islamic countries operate only Islamic banking systems and not all Muslim consumers in Islamic countries bank with only Islamic banks.

According to the Deputy Director of FID interviewed, Brunei banks have always been focused on their retail lending sector by attracting many consumers to use their financial facilities mainly borrowing. Like many other countries, Brunei has also undergone financialisation. However, Brunei Darussalam makes a good case study as it has gone through its own regulated financialisation by the government such as the MoF Directive implemented in 2005 which puts a cap on personal loan. This suggests that the credit restriction and financial reform in Brunei was a result of *in situ* or localised reasons i.e. excessive borrowings from banks by consumers rather than as a result of the global financial crisis, which began in 2007 and was mainly caused by excessive subprime loans which began in the US and UK.

[6] Gathered from personal interviews with finance officers and bankers.
[7] There is no central Bank in Brunei; however, the Brunei Darussalam dollar (BND) is pegged to the Singaporean dollar (SGD).
[8] Conventional banks includes HSBC, SCB, Citi bank, Malayan Banking, Citi Bank, Singapore's United Overseas Bank Limited, RHB Bank and the only conventional local bank, Baiduri Bank. The only Islamic bank in Brunei is a local bank called Bank Islam Brunei Darussalam.

> Since the US subprime crisis first loomed in mid-2007, most financial institutions have experienced some degree of difficulty. Credit has been squeezed globally, with major international intermediaries reining in investments, cashing in on one market in order to offset losses elsewhere. Despite the fact that Brunei Darussalam's banks remain largely unaffected by the crisis; this is not necessarily the case of their international parent groups… (Oxford Business Group, 2009, p.73)

Despite the benefits they provide to Bruneians, the government has warned about the worrying levels of personal debt in Brunei. The purpose of the MoF directive in 2005 is to decrease dependency on borrowing and shift the Bruneians' borrowing culture to more of a saving culture. Subsequently, financial reforms have led to changes in the financial culture of Bruneians to feed the continued consumption culture practised i.e. materialism as demonstrated and discussed in the analysis in chapters four, five and six.

1.5 Research Aims and Structure

The main aim of this research therefore is to identify the development and uniqueness of the financial and consumption culture seen within Brunei. The key issues addressed by the research are:

1. To examine Brunei's financial structural changes after the 2005 financial reform, especially financial institutions' reaction and responses
2. To understand Bruneians' everyday financial cultures i.e. Bruneians' financial access and the role of cultural intermediaries in particular family and traditions in influencing Bruneians' financial access.
3. To explain the consumption culture in Brunei: looking in particular at the roles of cultural intermediaries, social relations and traditions.

The remainder of the thesis is organised as follows: Chapter Two reviews the literature on financialisation, social relations and consumption. This chapter considers financialisation in the West where research has been prevalent. It reflects upon transition in scale from national finance structure to consumers' finance culture as well as their access and the importance of social relations and cultural intermediaries. Finally, the chapter also examines literature on consumption and credit, focussing upon the role of credit in the rise of new consumerism prevalent in many Anglo Saxon communities.

Chapter Three discusses the methodological strategies employed in this thesis, which include mixed methods of mainly semi-structured one-to-one interviews with young consumers, officers from financial institutions and retailers as well as observation and secondary data gathering. The strengths of the methods selected and the difficulties encountered during the fieldwork are highlighted. The methods of analysis used, which mainly identify themes and codes, is discussed.

Chapter Four outlines the financialisation process that has occurred in Brunei and considers the role of the state as a regulating body. This chapter examines the changing financial trends in Brunei, institutional reactions and identifies consumer responses following the financial reform in individual borrowing. In this chapter, it becomes obvious that Brunei's financialisation processes are different from other geographies found in finance literatures such as financial structure and market development in the UK and US.

Chapter Five is closely related to Chapter Four, but rather than focusing on financial structures, it examines closely consumers' reactions and financialisation based on other factors, particularly the social relations that shape the Bruneians' financial culture. This involves looking at Bruneians' everyday money management and finances which is mainly mainstream prime lending. In this chapter I show how financial access is not controlled by financial institutions alone but also individual choice and cultural intermediaries. This illustrates how different Brunei's financial culture is from the Western context financial culture which is heavily based on neo-liberalisation of financial market and the mass borrowing from subprime lenders with excessive interest rates. This chapter also briefly examines how the interviewed Bruneians' finance culture is closely related and influenced by their consumption culture.

Chapter Six reflects upon the consumption culture in Brunei that affects financing. This chapter identifies the type(s) of consumer culture that exist(s) in Brunei and argues that it is composed of a mixture of an old consumerism involving collectivism with a new consumerism based on hedonistic satisfaction that has led to consumers searching for more sources to borrow money. The primary factors that have motivated borrowing from banks are examined in this chapter. The role of the family plays a significant part in affecting consumer choices and spending such as consumers' financial contributions towards the family. Family is also a safety network for consumers. Furthermore, issues relating to values or functions of goods especially social symbolism (Wong and Ahuvia, 1998) discuss particularly the culture of conforming and importance of face value that have influenced Bruneian's levels of spending and borrowing. In addition, this chapter considers the importance of the traditions and special events held by Bruneians as major factors affecting their consumption levels. Differences in consumption practices in different localities are clearly outlined in this chapter.

The concluding chapter recaptures and highlights the main themes and tensions in my research in particular the importance of spatial variations whereby financialisation and consumption culture are affected by different levels of social relations, traditions and regulations practised by different societies. In many Western societies, financialisation has been influenced mainly by the financial supplier where government intervention is quite low. This is comparable to Brunei where the government highly regulates the financial system, including banks and consumer borrowing. Also, family, traditions and special occasions act as significant intermediaries that affect the level of consumer borrowing aside from individual choice. Moreover, credit consumption by Bruneians is used to fund a mix between individual and collective consumption for the family, rather than mainly for individualistic and hedonistic experiences. This chapter also identifies possible directions for further research.

Chapter 2
2. Literature Review

2.1 Introduction

> ...economic geographies are circuits and networks of value constantly evaluated and contested through the social relations which shape them. (Lee, 2006, p. 414).

Lee (2002, 2006) argues that the difference between economists and economic geographers is that economic geographers have become more aware of the complex cultural and social construction of the geographies which they try to understand (see also Amin and Thrift, 2000). In recent years, there has been an increase in research and literature on the subjects pertaining to finance in economic geography. Following the financial global crisis which began in 2007, studies on finance in economic geography have somewhat shifted from global capital flow, production and global cities (such as Martin, 1999; Sassen, 2002) to global financial circuits and their implications on urban structures, societies and consumption (French et al., 2008; Lee, 2002; Leyshon and Thrift, 1996; Leyshon, 1997; Leyshon et al. 2006; Pryke and Lee, 1995).

The main contribution of the thesis is within the domain of consumption for both financial products or services as well as commodities. The role of financial institutions as producers of personal finance is a secondary issue -- albeit one that is partially relevant to the discussion. The aim of this chapter is to examine several processes that have shaped financial institutions, as well as the everyday finances and consumption patterns of consumers. The majority of previous research, including that of economic geographers on these processes, have been focused on Western societies, in particular the US and UK. This chapter is divided into two main sections: the first section is the examination of how the financial structure in particular financial institution is created and shaped by the global financial system; this is followed by discussing consumers' financial attitudes after financialisation or the integration into a financial market. This section emphasises the importance of the different factors that influence consumers' access and participation in financialisation. Section Two examines the literature on consumption in Geography, the rise of new consumerism in Anglo Saxon countries with the help of credit, and also explores the value of commodities to different societies. My particular focus is on the potential variations in financial and consumption practices present across different geographies such as those between Western and Asian societies.

2.2 Geographies of Finance in Economic Geography

Earlier work on finance tended to explore financial flows on a more macro scale i.e. regional, national and global economies. It concentrated on the capital flows to spaces of production and/or global cities (see Castells, 1989; Sassen, 2002). Cohen (1998), Lee (1999) and Martin (1999) examine money on a larger scale, such as the circulation of money or finance over space and time. Cohen (1998) studied the different hierarchies of currencies and the exclusion of certain currencies from the global economy and nation states. Martin (1999) examines global finance and deregulation of the state such as privatisation of services. Lee (1999) and Leyshon and Thrift (1997) discuss different forms of money from primitive to virtual money. Lee (1999) argues that people have the ability to shape and influence the geographies of economic accumulation and social reproduction with money. Pryke and Lee (1995) assert the importance of studying cultures or social relations and workers' interaction within the financial clusters as fundamental factors that improve financial competitiveness and productivity. The majority of discussions focus on financial structures and barely cover social and cultural implications of money on consumers especially relating to credit and debts.

One of the earlier indications of transitions shown by geographies of money and finance are changes in the circulation of finance and in particular credit and financial structural changes in societies (Leyshon and Thrift, 1997, 1998). Leyshon and Thrift (1997, 1998) discuss the ways in which credit shapes and modifies the financial system, particularly within urban areas in the UK. They argue that virtual money is the newest form of globally accepted money which is leading to a declining use of cash payments and they argued that economies in the UK underwent financial liberalisation resulting in growth of indebtedness. Shifting attitudes towards credit are prominent among consumers too, with more and more accessing credit through acquiring subprime loans and credit, especially by those financially excluded from mainstream lending (Leyshon and Thrift, 1997, p. 22). Subprime lenders have expanded their operations and market from a personal door to door basis to exploiting the impersonal communication technologies, particularly telephone and the Internet, because of easy and faster access to credit and mortgages for consumers as well as a quicker processing time (Burton et al., 2004; Leyshon, 2004).

Leyshon has co-written a few articles on financial institutions explaining the growth of subprime lenders and the implications of spatial differences for consumers (French and Leyshon, 2004, 2008; Leyshon and Pollard, 1999; Leyshon et al., 2004). Clark (2005, p. 104) argues that much of the flow of finance comes from the Anglo-American world:

> It comes from pension funds, insurance companies, banks and corporations. Compared to the nation-state and related banking institutions inherited from the early twentieth century, private institutions of finance dominate global capital markets.

Pike and Pollard (2010, p. 31) assert their concern regarding the marginality of finance in economic geography and highlight the importance of the "integral role of finance in connecting the entangled sub disciplinary geographies of the economic to the social, the cultural and the political":

> In the wake of various "turns" in the discipline, we develop this integrationist approach to finance in ways that retain political economies of states, markets, and social power in our interpretations of geographically uneven development… (p.31).

Desforges (2001, p. 353) notes money should also be seen as a social object beyond the realms of economics. Through consumers' social relationships they can acquire the right knowledge to avoid overspending, being "ripped off" and to make good use of money. Desforges (2001) also suggests the use of money as a form of social communication indicating consumers' identity through the tips he/she gives as well as spending for quality service and hedonistic experiences.

Following the global financial crisis in 2008, the bulk of literature concerning Economic Geography examining finance continues to focus on macro-scale financing i.e. finance circuits and how they influence different institution from dissolving power from the government to financial institutions leading to global financial crisis. The majority of the blame was lodged with deregulation of financial governance regulation – with democratisation of finances giving more power to lenders. Langley (2008), Lee et al. (2009) and Pike and Pollard (2010) are avid researchers of global finance and how it affects the consumer's every day finances. More importantly, they affirmed the dearth in literature that looks at consumer integration and relationships in the financial circuits shaping consumers' everyday finances.

The next section examines the transformation and development in financial structure of the West due to financialisation. Sections 2.3.2 and 2.4 in particular explore consumer finance culture in Anglo-American countries as well as factors influencing consumers' integration and relationships in financial circuits.

2.3 Financialisation in Western Societies

There was a relative lack in the study of finance at least until the early 1990s especially in economic geography (Lee et al., 2009, p. 724). By 2004, there were already growing fears regarding the scale of borrowing by individuals and households in the UK with debts reaching over £1 trillion whereby: £867 billion was mortgage borrowing; £58 million was owed to credit card companies while the remaining £125million was from debts associated with unsecured consumer lending (Langley, 2008, p. 130). UK consumers were not the only ones in their borrowing binge because of financialisation; G-7 states[9] also saw consumer liabilities growing. However, these trends are more prevalent in the US and the UK because Western financialisation involved a shift in financial structure and consumers' financial culture as they become keen on credit. This in turn helped consumers to spend well beyond their earnings and affordability (Baudrillard, 1998; Manning, 2000). Section 2.3 reveals the transformation financial lenders went through with deregulation of finances followed by Western consumers' finance culture with financialisation.

2.3.1 Transformation of Financial Structures

The state and financial industries influence consumption patterns through regulations and mechanisms implemented on financial products or services, including lending for individual consumption (Burton et al., 2004; Christophers, 2009; French and Leyshon, 2004, 2008; Langley, 2008; Lee et al., 2009; Leyshon et al., 2004; Leyshon and Pollard, 2000; Manning, 2000). Financial structure includes the role of the government or nation-state, agents in financial circuit including banks, lending institutions, investment and insurance companies and retailers. This section discusses how financial policy changes implemented by different financial

[9] G-7 countries include rich developed nations including Canada, France, Germany, Italy, Japan, UK and the US.

institutions have affected consumer's everyday life particularly in their spending culture.

Christophers (2009); French et al. (2008); French et al. (forthcoming); Langley (2008, 2003); Lee et al., (2009); Mohan (1995); Montgomerie (2009); Muellbauer (2002); Palley et al. (2007) and Pike and Pollard (2010) highlight the ways in which the state's decision to deregulate finances has transformed consumer's access to finances and consumption culture in the UK and US. Mohan (1995) and Muellbauer (2002) argue that financial liberalisation has its origins in 1980s Thatcherite policies where strict controls on credit flow and interest rates were relaxed along with the departure of the strict 10% down payment policies for house mortgage. Government's grip on financial structures were loosened, allowing interest rates to increase and the establishments of more banks and buying of building societies by larger banks in addition to the Eurodollar Market (Muellbauer, 2002). During the last two decades, the UK has undergone privatisation for much of its social welfare which was once provided by the government and has contributed towards the financialisation of the economy and society, which has resulted in consumers having to take responsibility for most of their social welfare (French and Kneale, 2009).

Financial institutions have created and sold complex products allowing consumers in circuits of finance to use financial products and services through investments and borrowing (Burton et al., 2009; Christophers, 2009; Langley, 2008; Lee, 2009). Aside from mainstream lending, some of the popular products or services introduced related to financialisation include securitisation, "No income no job asset" (NINJA) loans and subprime lending (Pike and Pollard, 2010). Securitisation led to a shift from a savings to an investment culture and these investors channelled their money towards subprime lending to provide more loans to the marginalised high risk consumers (Langley, 2003, 2008). Lee et al. (2009, p. 727) call this the process of "intensification and extension of financialisation" which has enabled the "penetration of financialisation into people's everyday life". French et al. (2008) describe this type of predatory lending as "Ninja Agreements" where the higher the risk of default payment of the consumer, the higher the interest charged, thus further escalating the already existing debt problems of subprime borrowers. "Subprime lending has become associated with lax-lending and get-rich-quick predatory profiteering"

(Langley, 2008, p. 241). Nevertheless, Langley (2008) argues that financialisation has led to the democratisation of finances, especially credit and borrowings where mortgage loans are embedded in the UK and US consumers' everyday life in order to purchase consumer durables, consolidate old loans and investments because of the speculation that housing prices will soar.

Mortgage loan is a form of commercial market lending whereby money borrowed is secured on land (houses) for purposes other than house purchases and is offered to anyone intending to make improvements on their current houses (Ford, 1992). When housing prices rose, an influx of consumers borrowed profit from their housing equity while a majority of lower income consumers used mortgage loans to pay off existing debts (Cook et al., 2010; Ford, 1992; Smith and Searle, 2006, 2008). When the housing bubble burst in the US and UK, house prices fell but the amount subprime borrowers owed rose drastically as subprime lenders were charging excessive interest rates which have led to consumers being unable to repay their debts and were blamed for the global financial crisis (Christophers, 2009; Langley, 2008; Lee et al., 2009). Home owners suffered negative equity leaving the value of their property to be less than the outstanding mortgage loan.

Consumers that were excluded from mainstream lending often submit to borrowing from subprime lenders despite the hefty charges (Burton et al., 2004). Mainstream lending consumers are mainly middle and upper income groups with full time or permanent jobs at large or established companies, and typically have a good credit history (Langley, 2008) and are married and own a home (Burton et al., 2004). Clients of subprime lenders are financially excluded due to high risk, calculated through credit scoring. Sub-prime lenders on the other hand, exploited this financial calculative tool or mechanism to identify and aggressively market subprime lending to high risk consumers marginalised by mainstream borrowers (Langley, 2008; Leyshon, 2004). Financially excluded high risk borrowers include:

- lower income groups;
- poor debt repayment
- self employed and those with unstable income or patterns of employment such as part time workers;
- those regularly moving jobs and
- those with poor credit history

(Burton et al., 2004; Collard et. al., 2001; Langley, 2008).

Credit scoring is a mechanism created for financial institutions, particularly mainstream lenders, to manage and identify potential risks of dishonouring financial agreements and default payments (Langley, 2008). Langley (2008) stresses how increasing amounts of subprime lending and borrowing have become a part of life for Anglo Americans despite the expensive interest rates and charges imposed by subprime lenders by the mid 1990s. Interest rates imposed by most UK subprime lenders are set at three to four percentage points higher than mainstream loans, despite the growing competition in this market in recent years (Burton et al., 2004). Leyshon and Thrift (1996) and Leyshon et al. (2008) identify the unequal financial access of consumers depend on spatial variation in particular neighbourhoods in urban areas and the presence of financial firms.

During the early twentieth century lenders created and installed technologies that enabled easier and quicker payment and authorisation of credit cards transactions of the consumer (Langley, 2008). The use of revolving credit and their technologies links the credit supplier, retailers and consumers through money borrowed as well as information conveyed through purchases made. Burton et al. (2004) identify upper and middle income consumers generally as convenience users because they tend to pay off their credit balances in full at the end of every month, unlike the majority of subprime consumers who are revolvers often paying the minimum amount of their monthly usage at premium rates of interest i.e. credit revolvers. Credit issuers aggressively market their credit cards and their benefits to credit revolvers than convenience users by increasing credit limits, providing reward schemes, loyalty programmes and offering balance transfers without interest of credit balances from consumers' cards with other issuers (Hayhoe et al., 2000; Langley, 2008; Montgomerie, 2009). Similar loans and mortgages, and the use of credit cards were assimilated into consumers' everyday life (Langley, 2008; Montgormerie, 2009). By the mid- 1980s, revolving credit issuers in the UK and US became very competitive, and introduced penalty fees to increase their profitability such as penalty fees for late payments or exceeding credit limit by consumers (Langley, 2008).

The majority of profits are derived from the interest paid by cardholders on their unpaid balances (Langley, 2008, p. 146). According to Medina and Chak (1998), most bank credit cards are globally honoured and possess lower financial charges compared to retail cards which are localised to a certain retail establishment but possess higher interest charges. Burton et al. (2004) show how financial institutions in the UK and the US only benefit a certain segment of the population leaving those burdened trapped in the debt cycle as well as possible repossession of property due to greater access to excessive subprime lending.

Credit structures or facilities promoting consumption have become a lucrative industry with financial institutions earning profits from higher interest rates charged from credit and loan lending (Manning, 2000). The problems of misuse of credit, high personal and household debts, high interest rates and inflation have shaken not just the economy of a country but also the political and social systems (Stone and Maury, 2006). According to Worthington (2006):

> In the United States mortgage debt and consumer credit relative to disposable income are at or near all time record highs, with the primary driver being mortgage debt – rising from less than 36 percent of disposable income to more than 66 percent in the last thirty years (Maki 2000). …in the United Kingdom, the Bank of England has called for 'close monitoring' of the growth in unsecured lending – some 19 percent of household debt up from 14 percent a decade ago – and has expressed concern about total household debt - currently rising by 13 percent annually - and the possible impact on the banking system if the housing bubble burst... (p. 2)

Previously, wage growth was the driver for consumption and investments for consumers, however from the 1990s onwards consumers' high levels of consumption has relied on borrowings (Langley, 2008; Montgomerie, 2009; Palley et al., 2007). Financialisation allowed for increasing volumes of household debts because financial regulations were relaxed and better financial innovations in lending such as increased leverage, widening of the range of assets that can be collateralised, increased interest rates, lowering credit standards for the once financially excluded (Langley, 2008; Montgomerie, 2009; Palley et al., 2007).

This section has discussed the development of financial structure with financialisation. The next section investigates transformations in consumers' finance practices in the West after financialisation.

2.3.2 Financial Culture and Integration into Financial Market

There has been a shift in consumers' financial practices with financialisation, particularly securitisation. The presence of subprime lending saw a decline in saving and a growth in the borrowing culture as more consumers from different economic background have access to borrowing with higher interest rates (French et al., upcoming; Langley, 2008; Leyshon et al., 2004). Since the 1990s, high and unprecedented levels of personal and household borrowing particularly mortgages, instalment loans and revolving credit have become routine for so many consumers in Anglo-America (Langley, 2008, p. 162).

Cook et al. (2010) and Smith and Searle (2006, 2008) identify weaknesses or loopholes in home mortgages. Nowadays houses are not just a place of shelter but also an asset that brings about returns. Consumers do not only depend on their monthly income but also depend highly on their housing equity for consumption (Cook et al., 2010; Langley, 2008; Lee et al., 2009; Smith and Searle, 2006). In economies driven by credit more so than cash, secured borrowing has become the easiest and cheapest fund to be rolled out and spent (Smith and Searle, 2006, 2008). Smith and Searle (2008, p. 21) assert that 'equity leakage' is a common trend amongst borrowers today whereby more consumers are not reinvesting their mortgage loans into their home improvements or renovations but rather for consumption on consumer durables. Smith and Searle (2006) stress that a large part of mortgage loans found its way into the hands of UK retailers and importers resulting in the consumer boom. Smith and Searle (2006, p. 8) establish that between 1991 to 2003, money from mortgage equity withdrawal spent on home improvements decreased by about 20%, spending on home extension declined by 8% whilst spending on cars, other consumer goods and other specific (but unrecoverable) reasons all increased. The lack of knowledge available on the way mortgage holders weigh the lure of the high street against the practicalities of conserving home assets (or spending them in other ways) was emphasised.

Langley (2008) notes that consumers with high debts often look for short term solutions for their financial problems, such as making loan consolidations or applying for more credit or loans to pay for previous debt. In addition, consumers use credit to facilitate and build their urban lifestyle including purchasing consumer durables that are necessary but also making purchases for their loved ones through gifts (Bernthal et al., 2005; Talib, 2000). Credit and loans are also used to finance family's needs and survival in urban areas (Medina & Chak, 1998; Montgomerie, 2009; Schor, 1998, 2004; Worthington, 2006). Moreover, the increasing dependency in credit is due to "defensive consumption" (Montgomerie, 2009; Schor, 1998, 2002). Montgomerie (2009) describes defensive consumption as consumers' reliance on unsecured lending or credit in order to maintain their family's already established lifestyle or standard of living which they are already accustomed to. This is due to stagnant income, increasing standard as well as increases in the cost of living for the consumer and family members. (Refer also section 2.5.1 page 39).

Langley (2008) argues that the increasing demand and integration of consumers in the borrowing network does not signal a decline in thrift and prudence in consumers. In fact, he believes that more access to credit "serves to bring a semblance of order to the irrational self-gratification of consumerism"; it requires consumers to be more disciplined and diligent in their work to access more credit and manage their obligations to experience the consumer durables they consume (Langley, 2008, p. 140). This section has shown transition in financial culture where the consumers' relationship with the financial market has grown and using credit has been a part of consumers' everyday life. The next section examines the importance of consumers' social and cultural practices as well as relations that play significant roles in consumer borrowing which have not been examined by geographers studying Financial Geography.

2.4 Importance of Culture and Structure in Credit Use and Consumption

Consumption has a positive impact on the economy of the country but when excessive credit borrowing and under savings occur governments become worried (Ritzer, 1995). Economists and psychologists have blamed consumers for over-indebtedness and overspending. Sociologists such as Ritzer (1995) blame firms that aggressively advertise and motivate people to spend not only their entire income but also plunge into debt which changes their historical mission to foster savings and discouraging debts. Langley (2003, 2008) and Smith and Searle (2006, 2008) identify weaknesses in government and financial institutions' policies as problems for credit problems.

Even before the recent global financial crash, there were already growing public concerns and calls for changes in regulations and urban restructuring especially by governments, banks and money lenders (Manning, 2000; Ritzer, 1995). Change includes the tightening up of lending agreements, shop practices as well as advertising and provisions for increasing debt advice to be made and implemented (Livingstone and Lunt, 1992). The recent global financial crisis which affected so many lives forced governments to rethink their financial policies and come up with loan directives for banks and financial institutions (Christophers, 2009; Lee et al., 2009). Financial structural changes (such as easing of condition for credit application or the introduction of a more rigid loan policy) in different places have led to changes in the how, why, what, where and when they consume as well as who consumes and what kind of urban lifestyle is built.

Braucher (2005, p. 15) illustrates that addressing over indebtedness is a very complex process as it involves both structural and cultural causes. Often the media and politicians reinforce the ideas of easy credit or changing culture, and do not see the importance of both as reasons for growing personal debts, debt payment default or bankruptcy (Braucher, 2005). Braucher (2005) adds that structure and cultural interaction have policy implications. It is difficult to reduce indebtedness despite changing consumer culture alone when structures, such as the marketing of lower interests for credit, are still aggressive and widely available. Even when the state comes up with regulations to curb overspending, the credit industry will most likely find loopholes to overcome such barriers and use their power to lobby for deregulation (Braucher, 2005).

Braucher (2005) adds that governments avoid problems of threatening the free market ideology, and find it easier to create a strong structural base of educating young people about credit consumption. In Brunei, the state recognised that making financial reforms was important in the hope for a change in the financial culture of Bruneians through the financial directive in 2005. As a result, there has been a gradual change in the financial culture but the culture of depending on borrowing to feed the consumption culture remain almost constant as consumers and financial institutions find loopholes to increasing financial access, as is shown in Chapter four.

Baker and Jimerson (1992) list government and private firms as agents of structures that control and shape money. However, they also argue structure and culture are important in understanding how money is used and controlled (Baker and Jimerson, 1992). Similarly, Braucher (2005) argues that research on consumer indebtedness and bankruptcy should examine both structure and culture as interrelated and equally important:

> Structural accounts of overindebtedness focus on the system of easy credit and on insecurities in personal finances not fully covered by the safety net. Cultural accounts range from the highly judgmental, blaming consumer

> irresponsibility and even dishonesty, to the more sympathetic and psychologically nuanced, stressing consumer vulnerability due to the lack of knowledge and differences in mood, attitudes and behaviour (Braucher, 2005, p. 1-2).

2.4.1 Access to Financial Market

Access to credit differs from one individual to another depending on several socio-economic characteristics such as age, income and the culture practice by consumers (Ford, 1992). Leyshon and Thrift's (1995) work on financialisation often revolved around the financial exclusion and inclusion of consumers to the financial market, especially in the UK. They demonstrated this using spatial variations i.e. neighbourhoods or suburbs which distinguish different socio-economic backgrounds such as how middle class areas were highly linked to financial markets while poorer lower income neighbourhoods were either poorly integrated into the financial network or seen as prime consumers for subprime lending. Scholars researching financial capability have identified that consumers' socio-economic attributes play significant roles in shaping a consumers' financial capability, which in turn influences their access to finances (Atkinson et al., 2007; Johnson and Sheradden, 2007; Kempson and Whyley, 1999). Financial deregulation led financial institutions to be more competitive and innovative in their products and subsequently, consumers have to search and choose from a wide range of highly complex financial products (Kempson and Whyley, 1999). Governments in Western countries have shifted their responsibility for sustainable financial security to consumers (Atkinson et al., 2007).

Johnson and Sherraden (2007) assert that increasing financial literacy amongst consumers is insufficient in helping consumers and that financial capability would ensure better financial management of finances to which they already have access. Financial literacy involves "financial knowledge, competencies, changes in financial behaviour" whilst financial capability includes "financial literacy and increasing individual links and functioning to institutions" as well as the opportunity to gain freedom and access to financial policies, instruments and services (Johnson and Sherraden, 2007, p. 1-2). Financial literacy focuses on the individual's capacity but does not stress the importance of external factors i.e. structures especially financial access and links (Kempson and Whyley, 1999) and marketing, awareness, pricing and design of products as well as individual mistrust of financial services

(Kempson and Whyley, 1999, p. 14). Atkinson et al. (2007, p. 31) identify four main domains of financial capability:

1. Managing Money	• Make ends meet - higher income group should have money left at the end of every month • Monitor finances • Have money for predictable future expenses
2. Planning Ahead	• Have savings 'for a rainy day' such as unemployment or sickness • Be able to pay for expenses without borrowing • Have separate budget for expected major expenses • Have enough funding for retirement
3. Choosing Products	• Study and shop around for the best value financial products • Ensure products are tailored or most suitable for self • Check and understand the 'small prints'
4. Staying Informed	• Be current with situations that potentially affect finances • Know key features of products owned • Be bold and keen to deal with issues and make complaints when unsatisfied with products

Atkinson et al.'s (2007) believe that generally most UK consumers are good at keeping track of their finances, but different consumers have different levels of financial capability depending on their social economic characteristics. Atkinson et al. (2007) argue that typically high and middle income younger consumers live beyond their means, are poor at keeping track of their finances and making ends meet but they are relatively good at planning ahead, financially engaged and well organised. Research into young consumers' credit use and indebtedness in Canada, the US, South Korea and Nordic countries suggested that the biggest causes of indebtedness are attributed to small incomes and large expenses (Lehtonen, 2007). Hohnen (2007) argues that access to electronic form of money, to consume is constrained for many lower income consumers due to 'credit poor' and 'information poor'.

As previously discussed, temporary occupation, lower income, poor debt repayment practices are significant in determining consumers' financial access or exclusion from mainstream lending markets (Pahl, 1999, p. 2). Medina and Chak (1998) identify the presence of social exclusion and inclusion of credit according to different ethnicity affecting consumption. Their research found that Non-White Americans tended to use credit cards heavily, with Hispanics using more retail cards than Anglo Americans because of the differences in their occupation, past credit records, income level and wealth (Medina and Chak (1998). They assert that Non-White Americans, especially Mexican Americans, own more retail cards due to easier access and lower standard for application of these cards and the perception of these retail cards as a social symbol.

One of the more obvious socio-economic characteristic is age when understanding levels of financial capability. Johnson and Sherraden (2007, p. 1) argue that financial capability among youths should be increased because “youths attract the interest of retailers and credit card companies, but have little knowledge about how to make wise consumption decisions” particularly in a complex financial world like today’s. Lechance and Bernier (2004) highlight that financial institutions and retailers have identified young consumers to be a profitable target market because they potentially have increasing personal income, high expenditures and a major influence in the consumption patterns of families. Atkinson et al. (2007) believe that, unlike older consumers, young consumers lack the capability of picking suitable financial products to meet their needs and practise the ideology to spend now and worry about the future later. Young consumers are viewed as spendthrifts while older consumers manage, save and invest their money for financial obligations such as children’s education, medical expenses and housing, future or emergency uses (Engleberg and Sjoberg, 2007; Roberts and Sepulveda, 1999; Tang, 1995).

Early adults are accustomed to a lifestyle that is financially unsustainable and filled with excessive financial strain (Hibbert et al., 2004, p. 51). Credit card usage is seen to decrease with age (Danes and Hira, 1990; Lehtonen, 2007). Lehtonen (2007) asserts that although credit card usage facilitates young consumers’ lifestyles and brings about problems such as payment default and payment difficulties, today’s young Anglo Saxon consumers are spendthrift, materialistic, compulsive and overspend (unlike young consumer before e.g. in the 1970s) and this attitude is what is causing problems of indebtedness (Bakewell and Mitchell, 2003; Chien and Devaney, 2001; Hayhoe eh al., 2000; Hibbert et al., 2004; James at al., 2001; Lechance and Bernier, 2004; Lehtonen, 2007; Lyons, 2004; Schor, 2002; Park and Burns, 2005). Compulsive consumption is the “chronic, repetitive purchasing that becomes a primary response to negative events or feelings” (O’Guinn and Faber cited in James at al., 2001, p. 214). Moreover, young Finnish consumers between the ages of 18-29 years old are in the transition stage; they are just establishing their lifestyle and economic life particularly their income levels and make more decisions about their finances on their own (Lehtonen, 2007).

Although higher educated consumers in the UK are more likely to stay informed about financial products (Atkinson et al., 2007) but they may not always possess high levels of financial capability. Research shows that the highly educated and higher income groups are more financially knowledgeable (Danes and Hira, 1990). However, educational attainments have no affect on an individual's debt levels whereby the highly educated consumers tend to have higher debts because of their higher income, which generates greater access credit compared to lower income groups (Hurwitz and Luiz, 2007). In addition, Lehtonen (2007) argues that young consumers in Finland have poor financial literacy; they sign credit contracts without fully understanding them and have low ability to manage finances. Consumers only fully understand the financial credit costs after being penalised for default payments (Lehtonen, 2007). Rather than education level, experience seems to have more impact on consumer's money management and consumption. Consumers who have experienced financial hardship value money differently than those who have never gone through any financial problems, mainly because they know how it feels to be looked down on and experience anxiety, emotional and psychological stress in addition to feeling worthless (Lim and Teo, 1997).

However, there are UK consumers who choose to exclude themselves from being involved in new forms of money, especially credit and debit cards. Kempson and Whyley (1999) affirm that consumers choose to exclude themselves from financial products because they prefer managing, controlling and monitoring their day to day money, as well as budgeting and paying their expenses themselves. Hohnen (2007) believes that the consumption of lower income groups in Sweden and Denmark are earmarked whilst middle class consumers tend to purchase on impulse. According to Hohnen (2007) other tactics practised by lower income households with limited economic resources to control their spending include setting aside a specific sum of money, hurrying through the shop and reducing the number of visits to shops, and by restrictive strategies such as using prepaid phone cards instead of contract lines so as to limit the amount to be spent on a specific purpose. Lower income households avoid getting debit and credit cards because they are worried about the temptation to spend more due to the free flow of money available, especially with credit cards which make budgeting difficult (Hohnen, 2007). Cash is visible and easily budgeted or earmarked which enables better control on any unneeded spending.

Thus as argued by Langley (2008), the power of financial exclusion or inclusion does not rest solely in the hands of financial market or structure, consumers also have the agency to financially exclude or include therefore influencing their own access and relationship with the financial market. Johnson and Sherraden (2007) examine Amartya Sen's and Martha Nussbaum's work on capability theory whereby financial capability and wellbeing is determined not just by the individual’s internal reasons, such as physical and intellectual ability, but also the external reasons or environment including cultural barriers. Nussbaum argued that financial structures such as information, financial advice, policies, laws, regulations and practices created are important as they affect the individual’s choice to develop their full range of capabilities that lead to well-being (Johnson and Sherraden, 2007, p. 5). Kempson and Whyley (1999) argue that consumers can either be excluded from access to finances by financial institutions or consumers themselves deciding to be excluded from access to financial products.

This section has highlighted the influence of socio-economic backgrounds on consumers’ access to finances. Despite the similarities in financial culture amongst the different consumers in ‘Anglo-Saxon’ societies, there are some differences in the financial attitudes practised by consumers across different geographies whether within Europe itself or in Asia. The next section highlights different social relations and cultures practised by consumers, thus also highlighting the importance of spatial variation in influencing consumers’ financial access and culture. The notion that money should be studied beyond the realms of economics and include culture and society can be traced back to work of Simmel (cited in Parker, 1990). Understanding people’s values, attitudes and behaviour are important when examining money usage (Baker and Jimerson, 1992; Deflem, 2003; Desforges, 2001; Lim, 2003; Zelizer, 1989).

2.4.2 Cultural intermediaries Affecting Consumers’ Financial Practices

Langley (2008); Lee (2002); Lee et al. (2009) and Pike and Pollard (2010) emphasise the need to examine more than just the supply of capital or credit through the structure or mechanism implemented by the financial market. As noted earlier, government regulations, and in Anglo-America's case financial deregulation by the nation state, produced a transition involving the financialisation of consumers' everyday lives. Braucher (2005) and du Gay et al. (1997) stress the importance of cultural intermediaries that influence and shape consumer demands and supply of credit by credit or loan issuers. du Gay et al. (1997) explain Marx's definition of 'intermediary movements' as that which occurs between production and consumption. 'Cultural intermediaries' are important groups of people who play a role in promoting consumption through attaching meanings and 'lifestyle' to the commodities and services that consumers identify (Bourdieu (1984; du Gay et al., 1997). In my research, important cultural intermediaries include family and governments.

Despite the lack of experience for financial capability, parents are models and can influence the financial well being and consumption patterns of young consumers (Hibbert et al., 2004). Kempson and Whyley (1999) recognise the importance of parents' usage of financial products in exposing their children to financial products. Once young consumers have "put a toe in the water" of financial services they will often receive adverts offering other kinds of financial services and products as well as take part in the financial circuit (Kempson and Whyley, 1999, p. 20). Here, we see the significant role family and culture play in the consumers' access to finance from a young age. Furthermore, Johnson and Sherraden (2007, p. 6) argue that children who are given money at a young age will learn to handle money more responsibly and become better money managers, provided they are exposed to experiential teaching methods on finances and access to financial institutions. However, lower income youths are more likely to come from families who are "unbanked" and often lack early information and access to finance (Johnson and Sherraden, 2007). Households that do not use financial products receive few approaches by financial institutions regarding products i.e. marketing exclusion hence their knowledge about finances is limited which can result in these types of people choosing unsuitable or high risk products or just simply excluding themselves from financial products which may suit them (Kempson and Whyley, 1999, p. 21).

Eastern and Southern European families mainly practice collectivism, which means that the family still plays a fundamental role in their adult children's decisions in relation to finance (McKinnon and Schroder, 2006). Young consumers often consult elders in the family for advice due to the experience they have and the young often borrow from relatives ensuring prompt payments without default to avoid embarrassment and to maintain existing relationships as well as mutual trust (McKinnon and Schroder, 2006). Western European (WE) consumers, on the other hand, mainly borrow from banks and other formal money lending agencies (McKinnon and Schroder, 2006). Due to the problems of poor levels of financial capability amongst young consumers, the FSA (2006) have argued that consumer education programmes which have been heavily concentrated on school children should be expanded to the other main groups particularly young adults, those at the workplace and new parents (Atkinson et al., 2007).

According to Hurwitz and Luiz (2007), a bread winner's access to credit is usually extended or shared with dependants within the household. Interestingly, Hohnen (2007) argues that a consumer's consumption patterns can change according to different times of the month. He believes luxuries are bought earlier in the month and by the end of the month money becomes tight with consumers spending on the essentials as they wait for the next pay. Furthermore, there exists 'artificial poverty' and 'artificial affluence' where parents, particularly mothers, restrict their own spending to ensure their children get what they need and want (Hohnen, 2007, p. 761). Lower credit usage is apparent in lower income households in comparison to affluent households (Ford, 1992). However, lower income groups are vulnerable to indebtedness due to their dependency on subprime lending to pay off their outstanding retail and hire purchase debt with high rates and consumption expenditure (Hohnen, 2007, p. 130).

Kempson and Whyley (2007, p. 29) note that some UK consumers possess a moral opposition towards borrowing and would rather save for a number of purposes, including buying more expensive essentials for Christmas, for days out, a holiday, and particularly (for married consumers) saving to meet offspring's needs. Lower income groups, especially women help one another in time of need and have a reciprocal lending arrangement (usually in small amounts) with close friends and relatives (Kempson and Whyley, 2007). This again reiterates the importance of social or cultural intermediaries that influence consumers' use or access to the financial market.

Lachance and Bernier (2004) point out that a competent consumer needs to be able to identify needs and wants, spend within their means, compare prices according to the value of the product or services; avoid or resist being conned by salespersons, be vigilant towards advertisements and complain when dissatisfied with the services or commodities. How well young consumers manage their wealth depends on the socialisation process undergone from childhood. Bourdieu (1984), du Gay et al. (1997) and Sassatelli (2007) emphasise that definitions of needs and wants may vary across time and cultures. Lee (2006), Lee et al. (2009) and Miller (2010) acknowledge the importance of appreciating different processes, cultures and meanings practised by different societies in different geographies and time.

Young US consumers have grown up with debt and use it freely (Ritzer, 1995) and they tend to relish spending over saving (Zuckerman, 2000). New forms of money have helped feed the expansion of new consumerism and allowed consumers to spend on goods which were once unattainable (Baudrillard, 1998; Manning, 2000; Schor, 2002). The more unattainable the goods are, the more important they become to the individual (Sassatelli, 2000). Medina and Chak (1998) and White (1995) assert that using a credit card is convenient, socially accepted and is not seen as taboo anymore. Manning (2001) proves the social acceptance of debt as a way of life in the US:

> Total consumer debt, including home mortgages (over $6.5 trillion), exceeds the cumulative U.S. national debt ($5.7) trillion. And, like a sharp increase in federal borrowing that augmented the modest growth of federal revenues over the last 20 years (U.S. national debt totaled ($940 billion in 1981), consumers have become increasingly dependent on unsecured or "revolving" credit (about $55 billion in 1981) to compensate for stagnant real wages, increasing employment disruptions, and higher cost for big-ticket items such as automobiles, college tuition, insurance, housing, and health/medical costs. …heavily indebted consumers are facing a more serious financial burden since their loans are more likely to be in the form of higher interest credit cards (average of over 18% APR) versus more modest Treasury bonds (5%-6%).

Lehtonen (1999) believes that excessive lending rates, wanton consumption or being victims of the consumer society are not the main causes of high indebtedness. Lehtonen (1999) argues that external forces contribute highly to problems of indebtedness such as business crisis, being guarantors for other people's mortgages or loans, changing financial situations such as unemployment or divorce have resulted in household bankruptcies or consumer over indebtedness.

Montgomerie (2009) argues the use of credit in particular unsecured borrowings to facilitate not only for self-indulging one's self in consumer goods and services but also for "defensive consumption[10]" for the survival of the consumer and their family's survival in a competitive urban landscape. Not all middle income consumers use unsecured borrowings to buy assets including shares and stocks as argued by Langley (2008), there are those who also use unsecured debt exclusively to fund everyday consumption. Montgomerie (2009) affirms that household unsecured debt levels have grown higher than annual income more and more, and families are relying on debt as a 'plastic safety net' to pay for living expenses. This is particularly true of the middle income consumers – the haves – who have been experiencing financial insecurity and inequality due to access to mainstream non-secured credit and shift in government's priorities. For example shifting government priorities mainly towards lower income groups, restructuring of social costs and social welfare costs at their work places leaving middle income employees having to contribute more in health services costs as well as pensions (Montgomerie, 2009).

> Thirty years ago a family in America, enjoying growth in its real earnings borrowed money to buy a house or a car . . . . Life in the Indebted Society is very different. Families borrow to maintain lifestyles eroded by falling wages. Families now owe money for their children's education, the new TV, the refrigerator, etc (Medoff and Harless, as cited in Montgomerie, 2009, p. 16).

Montgomerie (2009) adds that middle class consumers have had to tighten their belts as the costs of living as well as the standards of living have been rising and because of this they have to service large stocks of unsecured consumer debt accrued during the credit boom. Montgomerie (2009) affirms that in today's middle income families, worry justifies purchase in defensive consumption: "It is no longer a matter of 'keeping up with the Joneses', but maintaining the same levels of prosperity of the post-war generation". Montgomerie (2009) suggests that today's middle income class parents have their own understanding of what is "essential" for their children or family's wellbeing and parents use this as justification for their high usage and dependency on credit. Section 2.5.1 discusses issues related to definitions of needs and consumption, principally by Bourdieu (1984) and du Gay et al. (1997).

[10] This was introduced by Schor (1998). The term 'defensive' refers to how households use debt to preserve levels of consumption established in the post-war era, rather than trying to surpass previous levels of socioeconomic prosperity (Montgomerie, 2009, p. 18).

2.4.3 Financialisation Outside the Western Realm

Most of the literature reviewed examine financialisation practiced by Anglo Saxon societies including the deregulation of the financial system. In other communities, such as in Southeast Asia, government and beliefs play vital roles in influencing consumer behaviour, both in finance and spending, to ensure the well being of society and the economy. Chua (1998, 2000) demonstrates how the 1997 economic crisis forced Asian governments to implement new regulations to revive the economy by lowering interest rates for credit to increase consumption. They changed their previous stance on high interest rates to increase savings amongst its citizens, which was mainly used as capital by the government to invest in industrialisation to spend in order to revive the economy.

Today, more financial institutions try to match their financial services and products with consumer culture. Baker and Jimerson (1992, p. 685) emphasise the importance of culture in Zelizer's (1989) work whereby culture influences money users and those who control money. Religious beliefs for example, affect a community's way of life including decisions on finance. Islamic Banking and Finance (IBF) has expanded 10 - 15% in both Muslim and non-Muslim countries including the UK and Japan (Sole, 2007). IBF works according to *Shari'a* laws derived from the *Quran* and the Prophet Muhammad's (pbuh) *Sunnah* or *hadith* (Pollard and Samers, 2007). Attention on IBF increased with the recent economic recession hitting the global economy predominantly in the US and UK. "Islamic financial institutions have not been hit as hard as their western counterparts" according to the Indonesian President during his opening speech at the World Islamic Economic Forum 2009 (Williamson, 2009). Securitisation and excessive interest rates are not encouraged or practised in Islamic banking.

According to Steven Amos, Marketing Director of the Birmingham-based Islamic Bank of Britain, IBF is sustainable because they represent a return to fundamentals, and invest in traditional real assets rather than virtual assets (at the moment caught in the current crisis), with a manageable (and visible) risk profile (The City UK, 2009). Islam prohibits usury and risk is shared between the bank and the consumer which becomes a strong incentive for institutions to ensure deals are sound and financial contracts must be clearly documented (Ebrahim and Tan, 2001; Pollard and Samers, 2007). Investments should never be on *haram or* unlawful goods such as armaments, drugs, tobacco and alcohol (Pollard and Samers, 2007). According to Steven Amos IBF lending should be right for both the lender and consumer (The City UK, 2009). The bank buys the asset or commodity the customer wants and resells it to the consumer with no interest but a predetermined profit (*murabaha*). The majority of ownership belongs to the bank and gradually the ownership moves to the consumer with increased instalments paid but if the consumer is unable to pay, the customer is responsible only for the agreed sale price (Pollard and Samer, 2007, p. 315).

This form of financialisation, which practices some form of social control and responsibility, helps to reduce and control the burden of debts of consumers and does not restrict consumers to just one form of exploitative borrowing. However, not all Islamic countries have banks that operate according to Islamic banking system. Some Islamic countries including a local bank in Brunei operates like a conventional bank but is regulated by governments which take Islamic values such as not opting for subprime lending investments into consideration. This highlights the importance of geographies of financial cultures. Nevertheless, aside from institutions, the consumer's social background and consumption preferences play equally important roles in determining their access to credit and financial capability.

Lim (2003) argues that more research is needed to look at money behaviour outside the Western context due to the different beliefs they hold. Lim (2003) notes that social respect amongst Asian communities is associated with people's achievement particularly concerning wealth, therefore individuals are extremely worried about money. However, accumulating wealth alone and being prudent (see Lim and Teo, 1997) is insufficient in acquiring esteem; it also involves public perceptions of the individual and the social group he/she belongs to. Therefore, increasing spending to impress others does occur (Lim, 2003). Confucian practitioners are generous with those within the circle of the individual's network of family and kin (Lim, 2003, p. 965). Moreover, Talib (2000) examines what is purchased by Malaysian consumers using credit cards and how credit becomes an instrument for conspicuous consumption to maintain urban lifestyles as a social symbol. Nevertheless, research on money use, particularly on credit outside the Western context is limited.

This section reveals the importance of social and cultural issues that have significant impacts on financialisation and do not solely depend on financial structures or markets in an attempt to understanding financialisation trends. Acknowledging and appreciating spatial variations and the cultural as well as regulatory differences practiced by different society shows how patterns and concepts of financialisation vary. The next section considers other elements that have an impact on levels of borrowing and finance use, particularly when examining the motivations and functions of goods consumed.

2.5 Geographies of Consumption

The explosion of literature in consumption began during the consumer boom in the 1980s and is still intensifying today (Goss, 2004). Earlier geographical studies of consumption were mainly concerned with the evolution of spaces of consumption and retail (see Redfern, 2003; Schivelbusch, 2003; Taylor, 2003; Wrigley and Lowe, 1999; Wrigley, 1988; Zukin, 1987,1995). Geographers continue research on retail locations and retail built environments, but has also begun to be interested in anthropological and other social science perspectives on consumption (Goss, 2004). Interests in consumption branched out to include examining fashion (Miller, 2010), food (Ritzer, 1995; Valentine, 1999) and home décor (Leslie and Reimer, 2003; Miller, 2010; Money, 2007; Shove and Southerton, 2000; Southern, 2001). The majority of new studies investigate social and cultural issues including identity creation, meanings and social relationship. According to Mansvelt (2005, p. 6):

> Through studying consumption, geographers have sought to explain how and why economy and culture, the symbolic and the material, collide, demonstrating how the complex meanings and expressions of consumption in place are in turn connected to other spaces and scales, and making a critical contribution to the relationship between society and space.

Commodities have become objects of cultural symbolic meanings (Jackson, 1999) and are important non-verbal means of communication (Isherwood, 1978). In “post modern” epoch, consumption is not just an instrumental activity but also a symbolic one (Campbell, 1995, p. 99). The characteristics that commodities hold motivate scholars to research further into what consumers do with commodities, how objects are modified or altered, re-used, restore, valued or devalued (Crewe, 2000; Hethrington, 2004).

According to Mansvelt (2005):

> The invasion of sign and images and the multiplication of cultural mediators in everyday life (such as electronically mediated signs, images, spectacles and simulations appearing on television and via the internet, on billboards, at a sports grounds and so on) are seen as symptomatic of stronger connections between commodities and identity value than previously existed" (p. 45).

Identity stability is lost (Beck, 1992) and a variety of identities or cultures exist for consumers to choose from (Warde, 1997). Current geographies of consumption examine "complex relationships between social and spatial relations, material and symbolic practices and entities and things are connected, performed, transformed and expressed as they are created and move across space" (Mansvelt, 2005, p. 23).

Two ways of understanding the relationships between consumption and identity are: consuming to become, and consuming according to who we are (Mansvelt, 2005). Consuming is "lifestyle shopping" (Shields, 1992) where consumers construct their identity according to class, gender, cultural, generational or family identities (Lunt and Livingstone, 1992; Saunders, 1989). People consume to belong to a social class or status (McRobbie, 1993). Consumption also allows movement of between different social classes and identities (Swanson, 1995). The meanings attached to an object are subjective and may vary from one social group to another (Kleine and Kernan, 1991).

Aside from studies on ethical and sustainable consumption affecting consumers' choice in goods (Clarke et al., 2003; Malpass et al., 2003), there are other contributing factors influencing consumer choice. Sassatelli argues that consumers are active agents who maximise the use of objects without the influence of others, including advertisements, and are careful when choosing from the options they have. Choices are affected by rational decisions such as budgetary limits and obtaining the cheapest price (Sassatelli, 2007, p. 58). Consumer choice is also severed from a host of relevant issues including social and environmental effects of choice, or exclusion from access to the variety of options available on western markets (Sassatelli, 2007, p. 184-185).

Furthermore, Jackson et al. (2006, p. 61) believe that UK consumers' choice will definitely be based on "domestic routines and repertoires" and household context but then routines can be broken. Jackson et al.'s (2006) study on consumer's choice on where to shop and what brands to buy and how this differs according to social and economic class. They found that people living in working class areas chose distance, accessibility and convenience while upper and middle classes deemed taste and quality as more important than convenience and price (Jackson et al., 2006). This study is important as it shows that consumption choices and patterns of households depends mainly on consumers' daily lives routine or practices and household structure (Allan and Crow, 2001; Silva and Smart, cited in Jackson et al., 2006). Jackson et al. (2006) were able to gather empirical material by looking at 'real' consumers' everyday practices through methods involving directly speaking or interviewing with consumers, accompanying consumers to shopping trips, kitchen visits and diaries.

The growing literature on consumption and identity is enriching people's understanding of the importance of material culture in the reproduction of social relationships and status, everyday routines and selfhood, as well as categorizing people into major categories of individual and collective identity (Trentmann, 2006). Wilk (2006) argues that most researches in consumption often examined upper classes lifestyle and lower classes emulation of upper classes. Hence, the need for more studies on everyday consumption practices of other classes or subcultures, including his study on binge consumption and Caribbean workers as well as young US consumers.

2.5.1 Rise of New Consumerism

Consumption research has come from specific 'places' mainly from Western communities. This section mainly discusses conspicuous consumption and examines the motives or functions of goods that drives consumers to purchase, as well as the evolving concept and classification of the value of goods (Bourdieu, 1984). The discussions on functions and values of goods and services are highly related to materialism and identity, and predominantly focus on how the consumers' lifestyle and consumption practices are determined by the identity they practice or hope to achieve. Section 2.5.3 cross examines the inconspicuous consumption in everyday life and the conflicts between understanding what constitutes conspicuous and inconspicuous consumption in Western communities.

By as early as the seventeenth century, luxury goods were available to meet and maintain the basic needs of the upper class as well as the pleasures of aristocrats.

For example: dinner parties, hunting, theatre-going, dressing in elegant clothes and eating chocolate (Bocock, 1992). Displaying surplus wealth to impress others by reflecting 'good taste' and the ability to pay beyond what others can afford -- 'conspicuous consumption' (Veblen, cited in Clarke et al., 2003). Conspicuous consumption is a process of exhibiting and asserting superior social status through the consumption of the 'extraordinary' usually expensive goods and services (Sullivan & Gershuny, 2004). Conspicuous consumption is perceived as actualising individual fantasies by consuming them in the public sphere for people to see (Hochschild, 1996). According to Veblen, husbands display their wealth by showering their wives with good clothes and taking part in leisure activities including painting and piano playing (Bocock, 1992).

This type of lifestyle spread down to the middle class commercial farmers and families, the new urban bourgeoisie and the working class in industrial cities (Bocock, 1992). The trickledown effect saw inferior class emulating the superior class to gain respect and acceptance, particularly in urban areas where social exclusion exists (Baudrillard, 1987; Bourdieu, 1984; Douglas and Isherwood, 1996; Friedman, 1994). Living in urban and suburban areas increased people's conformity to a certain social group's repertory or code specific and expressive of individual preference (Bocock, 1992; Frisby, 1984; Simmel, cited in Parker, 2004). Schor (2001) describes this trend as 'keeping up with the Joneses' where the importance of conforming to people within their neighbourhood was a must. Old consumerism saw both working and lower middle class workers emulating the lifestyles of the social classes above them (Bocock, 1992; Veblen, 2003).

It is argued that the Post-Fordist era saw a shift from traditionally ascribed social structures and lifestyles to more fluid and achieved identities through choice of lifestyle practices and consumption (Bell and Hollows, 2005). Post-Fordism also marked variety and customised commodity production encouraging flexibility and the acceleration of fashion trends compared to the mass production of the Fordism period (Bell and Hollows, 2005; Lee, 1993; Lury, 1995; Slater, 1997). Greater freedom of choice for consumers or agency led to more individuality, self expression and stylistic self-consciousness (Featherstone, 1991, p. 83).

Additionally, given adequate spending power, consumers today have a degree of freedom to choose. Postmodernists and economists argue that consumers are active actors in the social network and have a say in their patterns or consumption choices (Lury, 1996). Choice is a reflection of consumers' tastes and desires and today consumers may experience 'choice overload' where they face such a range of choices that it is a daunting task for them to pick one that offers best value for their own lifestyle (Goss, 2006). New consumerism becomes hard work and to some extent can bring about social problems including depression and suicide (Schor, 2001; Schwartz, 2004). Even so, consumers are generally said to be knowledgeable, research and plan their purchases (Goss, 2006; Zukin, 2004).

Consumers struggle to consume only the things they need because they are often caught in two minds -- the logical mind which evaluates price and quality in a sensible manner and the emotional mind where purchase is stimulated and affected by feelings of passion, excitement and other sensations (Pooler, 2003). Pooler's (2003) argument shows the reason behind different patterns of consumption. A person with a more emotional mind tends to be more compulsive whilst consumers with a more logical mindset will be more economical. Hence, price is not the sole condition for consumer choice as also proven by Jackson et al.'s (2006) research, where they found that differences in socio-economic classes play a significant role in where people shop and what they purchase.

The notion of needs and essentials evolves with time and space (Bourdieu, 1984). Montgomerie (2009, p. 18) reveals how with changes in time, middle class consumers in the US have their own classification of what essentials or necessities are which lower income groups may not agree on:

> …parents worry that their children need computers and degrees from good colleges to avoid being left behind in the global economy. Children, concerned about being left out in the here and now, demand shoes, clothes, and video games, without the right sweatshirts and jeans they felt they would be "ruined in school". Also, many adults surveyed claimed they needed to buy expensive housing in appropriate catchment areas for good schools, along with tutoring and a whole variety of extra-curricular activities to ensure children would get into university.

Consumers justify their dependency on unsecured lending in order to maintain the already established lifestyle that their family have been practicing i.e. defensive consumption (Montgomerie, 2009; Schor, 2002). This supports du Gay et al. (1997) and Bourdieu (1984) affirmations on the importance of cultural intermediaries in not just influencing the supply and demand of finance (see section 2.4.2) but also in consumption. Major cultural intermediaries revealed in chapter five and six are the family and the government.

Simmel argues that people's everyday lives cultivate a blasé attitude towards others and individuals create their own identity through 'the pursuit of signs of status, fashion, or marks of individual eccentricity' (cited in Parker, 2004). Mort (1988) believes such change is a movement from Veblen's 'keeping up with the Joneses' ideology to 'differentiating oneself from the Joneses'. Schor (2001) describes this change in emulation as part of new consumerism in Anglo Saxon Communities whereby consumers especially Americans are 'keeping up with the Gateses' - emulating the top 20% of the social strata or the upper middle classes and above. The 1970s saw a rise in well paid jobs and paid employment for women allowing more spending on conspicuous consumption and on 'new essential goods' (Schor, 2001). New categories of consumers have been identified, particularly amongst youths, as they adapt new kinds of subcultures (see Hedge, 1979; Parker, 2004) or clusters of people who share similar lifestyles and consumption patterns - such as Yuppies. Capitalist and advertisers exploited this trend by constantly changing fashions and developing designer labels influencing consumers to blatantly participate in the yuppie lifestyle:

> People will buy the most expensive version of a product not because it possesses more use-value than a cheaper version (though they might use this rationalization) but because it signifies status and exclusivity; and of course this status is likely to be marked by a designer or department store label (Slater, 1997, p.158)

New consumerism involves not just the emulation of the upper middle class and above but also the fashion trendsetters (Slater, 1997). However, consumers today have insatiable needs to consume and update their goods to maintain the dynamic upper class lifestyle (Slater, 1997; Schor, 2001). Typically higher income consumers have little leisure time so they spend on expensive commodities and services such as high end designer brands or expensive holiday trips (Sullivan and Gershuny, 2004). As noted in section 2.4 (page 24), today's consumption culture are Americanised or homogenised through global processes such as availability or greater access to credit enabling consumers to afford and fulfil their desired lifestyle which was once impossible (Bocock, 1992; Montgomerie, 2009; Ritzer, 1995; Schor, 2001). New consumerism involves materialism (Schor, 2001) which often entails greater interest in obtaining and spending which are enhanced through relationship with objects, (Burroughs and Rindfleisch, 2002, p. 329). Kilbourne et al. (2005) argue that materialism requires a high level of consumption to obtain more than just instrumental 'use' of the value of goods purchased. In post modern societies consumption for cultural capital is essential because it is a means of communicating cultural codes (identity markers and fixers) especially the consumer's purchasing power (Holt, 1998; Micken and Roberts, 1999, p. 513), and enables membership into a subculture (Kilbourne et al., 2005). In more advanced societies such as the US and Germany, higher materialism and individualism usually signify success, achievement and mastery (Ger and Belk, 1996; Kilbourne et al., 2005; Schmuck et al., 2000).

Materialism can also be attributed to compulsiveness and binge consumption. Compulsive consumption is sometimes interchangeably used to describe addictive or impulsive consumption and acts as a means of searching for one's self or identity as well as enhancing social relationships with others (Elliot et al., 1996; Hirschman, 1992; O'Guinn and Faber, 1989). Hirschman (1992, p.159) believes compulsive behaviour is related to an individual's family background filled with separation, abuse and emotional conflict. Elliot et al. (1996) establish addictive consumers' purchase identical items in different colours and store them in the closet as well as buy items which compliment the earlier items they had bought, such as a bag which has to have matching shoes, belt and earrings.

Wilk (2006) argues that most research in consumption mainly addresses responsible consumption and rarely studies irresponsible, chaotic and destructive consumption. However, one might argue that conspicuous and compulsive consumption is in fact consumption which can be irresponsible and destructive, particularly if it involves overspending and over indebtedness. Wilk (2006) relates binge consumption to hedonistic consumption and argued that high hedonistic consumption patterns, particularly in the US, provides instant gratification, pleasure, and experiences in all types of social groups. Binge consumers show irrational behaviour and spend too much leading to a lack of savings and investments, high amounts of debts, recklessness about their future and are commonly from the lower social class (Wilk, 2006). He believes binge consumers spend more money on enjoyment, less money on conjugal families, savings and property accommodation. Wilk (2006) asserts that binge consumer spending is a reflection of irrational habits of the poorer classes. Binge consumption is particularly higher during festive seasons such as Christmas due to isolation and work commitments. Festive seasons are the only time for them to enjoy their freedom (Wilk, 2006, p.131). Wilk (2006) believes that young Americans have some similarities to the binge consumption patterns of buccaneers (Caribbean men he studied on binge consumption) where the young US students express similar desire to live: consume in the present moment or “spend everything, work hard and then come back for more” (p.140).

This section has shown that high materialism facilitated by access to credit has allowed for new consumerism in the US and UK. High materialism caused by both compulsive and binge consumption involves the consumers’ need to establish a sense of worth and need for recognition; impulsive and irrational shopping, and sometimes judgments are clouded by emotions even if it leads to problems of debts and over spending. Most of the discussions on consumerism in Anglo-American cultures are focused on the materialism of conspicuous and extraordinary commodities, reflecting hedonistic experiences aside from the basic functions of goods. Miles (1998) argues that the habitualised drudgery that makes up our everyday life is firmly centred around consumerism and the social control and ordering of everyday life. Much emphasis has been placed on conspicuous consumption or extraordinary consumption compared to mundane and ordinary consumption (Jayne, 2005). Though materialism and conspicuous consumption are useful concepts for my research, I believe that everyday finances and consumerism are not only limited to conspicuous consumption but also everyday ordinary consumption which is seen as inconspicuous. The next section examines everyday consumption and the conflicts surrounding them.

2.5.2 Everyday Consumption

Sullivan and Gershuny (2004) argue that most social scientists tend to explore the consumption of visible, extraordinary material goods and the status emulation of higher social classes through conspicuous consumption (see Bell, 2002; Bourdieu, 1984; Douglas and Isherwood, 1996; Miller, 1985, 2001; Veblen, 1967). Warde (2002, p.19) argues that researchers “ignore the mundane, routine, inconspicuous elements of consumption practice” and that things are “largely impervious to mechanisms like status enhancement of the pursuit of fashion”. Everyday life is often routine, repetitive and taken for granted (Jayne, 2006). Goods consumed can either be mundane and necessary goods or extraordinary and conspicuous commodities (Slater, 1997). Both types of consumption demonstrate the importance of social space, social relations and time (see Sullivan and Gershuny, 2004).

Inconspicuous consumption involves the utilisation of the ordinariness away from the gaze of others and absence of any overt display motives (Gronow and Warde, 2001; Smith, 2007). Smith (2007) argues that most inconspicuous consumption is done behind closed doors away from the preying and judgmental eyes of the public. Inconspicuous consumption involves self reflexive identity formation which is an identity that people project to themselves which contains elements of self awareness or self construction that are not wholly public (Smith, 2007; Sullivan and Gershuny, 2004). According to Smith (2007), goods consumed in inconspicuous consumption are often in the private sphere. “Public display of these proxies is usually a one-time event, with subsequent display afterwards restricted to the individual and to the individual’s most intimate associates” (Smith, 2007, p. 431).

O’Guinn and Faber (1989) argue that inconspicuous consumption involves commodities purchased (including conspicuous goods) that are forgotten or discarded with time. Only when the commodity is finally used or talked about to those outside the household, it is construed as conspicuous consumption (Douglas and Isherwood, 1996; Sullivan and Gershuny, 2004). Sullivan and Gershuny (2004) identify inconspicuous consumption as consumption that involves expensive leisure goods that are unused or stored away for future use due to busy schedules at work. On the contrary, Prahad (2005) and Smith (2007) argue inconspicuous consumption involves items which are cheap with low “switching costs” allowing consumers to use and later switch the product with another without incurring costs both financially and emotionally. Most inconspicuous and mundane goods have a short life span (Smith, 2007). Shove and Warde (2002) distinguish the conspicuous and inconspicuous consumption through the ordinariness of the goods or services consumed.

The other difference between conspicuous and inconspicuous consumption mainly involves the motives behind the consumption. Douglas and Isherwood (1996) argue that people consume to communicate social categories to others and/or to themselves i.e. “who we aspire or fantasize to be” (Gabriel and Lang, 1995, p. 94). Inconspicuous consumption involves the absence of the overt display motive, the satisfaction of obtaining as well as possessing commodities but delay in the use of commodities (Sullivan and Gershuny, 2004). According to them, commodities or services are bought to meet their fantasy in the future once they have leisure time. The main cause of this type of consumption involves the satisfaction of medicating emotional depression or stress through the purchase of unnecessary pricey items which eventually will not be used or forgotten, offering a temporary solution to some of the anxieties and needs generated by the time crunch for busy working consumers, especially high income earners (Sullivan and Gershuny, 2004).

Shove and Warde (1998) identify mechanisms of inconspicuous consumption to be mental simulation (novelty); the Diderot effect (matching) and; specialisation within daily life. Consumers are becoming more omnivorous (Shove and Warde, 1998) taking bits and pieces from different cultures they like and consuming them through goods acquired; a similar concept discussed by scholars studying subcultures in conspicuous consumption, sometimes even changing what they consume according to their moods (Featherstone, 1991, p. 26). Shove and Warde's (1998) category of mental simulations or novelty purchases involves a continuous and insatiable desire for new things making consumers' wants infinite, difficult to satisfy and consumers always opt for new items despite old possessions having similar functions. The Diderot effect involves acquiring new items to replace older goods which are still useable to match with the earlier new item bought (MacCracken, 1988). For example, buying a new chair will entail the buying of new lamps, carpet, or cushions to match the new chair.

The mechanisms discussed are similar to researchers studying compulsive consumption i.e. existential flow or fashion consciousness. Specialisation within daily life refers to the consumers' everyday consumption which rotates around their habits, hobbies, skills, specialisation and knowledge (Shove and Warde, 1998). For example, indoor football shoes can be used for other indoor sports and casual wear but some opt to purchase different pairs of shoes for badminton, squash and casual wear because producers manufacture a variety of specialised items and advertise their uses differently making consumers believe that they need different items for different occasions (Shove and Warde, 1998).

This section demonstrates the conflicts and multiple meanings attached to consumption i.e. conspicuous and inconspicuous consumption. Firstly, within the concept of inconspicuous consumption there can be a conflict in definitions and practises. As demonstrated above, there is a conflict between how researchers define inconspicuous consumption such as between Gronow and Warde (2001) i.e. ordinary consumption and Sullivan and Gershuny (2004) with delayed consumption of expensive goods and services. Jayne (2006, p. 102) for example defines mundane consumption as consumption that is unconscious, less imaginative and quite ordinary. According to Kleine and Kleine (1993, p. 210) "it should be emphasised at the outset that the ordinary products we use in day-to-day living are self-expressive… so what we consume, in the performance of even mundane activities, both contributes to and reflects our sense of identity – our sense of who and what we are".

Mundane consumption is also driven by product clusters which entail consuming sets of interdependent and complementary products in a particularly way (Kleine et al., 1992). An example given by Kliene et al. (1992) is when a cyclist purchases a bicycle he would also buy cycling clothes such as shirt, shorts, helmet, gloves, etc. Under activity streams, Kliene et al. (1992, p. 413) explain that "we consume while doing something but the activity, not the products consumed, is our primary focus". Mundane consumption also involves blocking out or limiting social interaction such as the purchase of a personal stereo or reading a book (Kliene et al., 1992). Scholars researching mundane and ordinary consumption usually examine household goods which only recently gained researchers' interests (see Crewe, 2000; Holiday 2005).

Secondly, Fiske (1989) argues that a simple object produced for ordinary or mundane consumption can be modified and creatively used to express a social group's identity and values. For instance, a safety pin can be used by punks as a social marker (see Hebdige, 1979). Consumption at home has been identified to give excellent examples to grey areas between conspicuous and inconspicuous consumption (see Gershuny and Sullivan, 2004). Miller (2010) believes what matters to consumers is often found behind closed doors at home, making the home an important research area to study. Most studies on home consumption examine goods and identity as well as show the presence or conflict between different identities practised by different consumers at home (Leslie and Reimer, 2003; Miller, 2010). Household consumption patterns vary depending on the type of relationship practised within the household i.e. the degree of decision making may be shared by all members within the household or monopolised by a few or even one person (Leslie and Reimer, 2003).

Jayne (2006) and Southerton (2001) argue that the symbolic dimensions offer diverse insights on how different social classes, ethnic groups, types of families and ages use the kitchen and kitchen table:

> Images and representation of design, style and decoration within the domestic sphere all construct the home as a place to express individual taste, luxury, aesthetic expressions, luxury and management of identities. Conversely, however, the home is also often constructed as a place for relaxation, intimacy and emotion where style, design and conspicuousness are seen to matter little (Jayne, 2006, p.106).

Shove and Southerton (2000) examine the transformation of the freezer where since the 1980s become a mundane and ordinary item that provides convenience and time organisation - freezing goods to reduce time on having to shop for food everyday or weekly. Today, however, freezers are redesigned according to consumers' preferences making freezers more conspicuous and expensive. However, there was no direct reference to conspicuous consumption nor explain consumer's motivation to purchase the newer and more conspicuous designs.

Modern urban fashion conscious yuppies are not just concerned in the things they wear but also in the interior decoration of their homes (Southerton, 2001; Sullivan and Gershuny, 2004). The kitchen or kitchen-cum-dining room have become part of the items displayed by consumers where expensive and designer kitchen utensils, electronic gadgets and any decoration used in the kitchen is to be exhibited and displayed for the scrutiny of their guests (Southerton, 2001). Miller's (2010) study on urban dwellers living on a road in London have chosen their home décor based on the dynamics of the relationship in their homes and according to the designs and identity they want to portray rather than having the 'keeping up with the Joneses' mindset. This shows that the spending for the home is becoming as conspicuous like shopping for fashion. Despite the availability of high end gadgets and utensils in their designer kitchens, the affluent middle class and above rarely have time to cook and prefer eating out or purchasing cooked meals from a variety of quality restaurants or retail outlets (Bell and Valentine, 1997; DeVault, 1994; Sullivan and Gershuny, 2004; Warde and Martens, 2000, 1997). This signifies consumers' time crunch but at the same time mirroring their status and financial ability to dine out or buy from restaurants or shops selling quality food which are traits of conspicuous consumption.

Items such as freezers and cars that help organize society's routine everyday life (Urry, 2000), simultaneously carry sign values that enhance people's social status especially in post fordist societies where car design, specification and branding are relevant. According to Urry (2000), cars are kept on the drive of houses for people to look at and are a symbolic display of the owner's tastes. Carrabine and Longhurst (2002) and Silverstone (1997) identify three categories when studying young people and cars: anticipation, use and meaning. Cars are used to enhance a mundane task, a mode of transportation but also used by youths to conform to a certain sub-culture (see Hebdige, 1979). Consumers within a subculture tend to use cars for conspicuous consumption such as bricolage whereby cars are modified as a symbol of belonging to a subculture (Carrabine and Longhurst, 2002). Holloway and Hones (2007, p. 556) affirm that an object can be simultaneously mundane and extraordinary and therefore can carry double meanings or codes.

Money (2007) argues that goods appropriated at home are either bought by members of the household or are gifts from family and friends. He believes that gifts displayed do not communicate any form of social status but rather a mechanism to show social relationship between the gift giver and the receiver as well as the extension of the gift giver's identity. Three reasons for displaying goods in the living room according to Money (2007) are:

i. Familial obligation-where gifts from family or relatives are kept and displayed out of love and to avoid offending the gift giver even if the receiver does not like the gift.
ii. Objects as markers of memory- where goods or gifts are displayed due to memorable events or happy memories attached.
iii. The commemorative quality of objects- when objects lose their real identity and be appropriated but instead used as a signifier of a special person or occasion such as a birthday, wedding or anniversary.

Goods have a variety of meanings aside from their original 'use' and monetary value. Social connection value or sociality (Money, 2007) of objects becomes prevalent in mundane consumption at home and become integrated into the day to day living of the owners or consumers (Riggins, 1994).

Some scholars believed consumption in the private sphere or at home to be inconspicuous but the question arises as to whether there is only one type of consumption practiced within the confinement of the private sphere or even if consumption in the public sphere is conspicuous consumption. The prevalent theme that emerged is the importance of geographies or spaces in which the object is consumed. For the purpose of my case study in Brunei, I believe the use of everyday consumption is useful to describe that which has become ordinary to the Bruneians interviewed. From a Bruneian context discussed in chapter six, what constitutes as ordinary or extraordinary consumption does not simply depend on spatial variations but also the social practices and lifestyles of consumers.

Section 2.5.1 and 2.5.2 revealed the processes involved in Western societies, particularly the importance of identity and functions of the goods of consumers. Even within a society their consumption practices can vary from conspicuous to inconspicuous depending on the varying spaces of consumption i.e. private homes to public spaces or the social group the consumer belongs to.

2.5.3 Consumption Outside Western Countries

Relating to section 2.5.2 on spatial variations and different consumption cultures, this section reveals the different consumption cultures practiced according to geographies based on social relations and regulations, in particular in Asian communities. Wong and Ahuvia (1998) emphasise that East Asia, including Southeast Asia, is the biggest market for luxury and prestige brands from the West. Similar to studies of Anglo Saxon countries, researches in consumption outside Anglo Saxon countries focus on issues related to conspicuous consumption and materialism. Wong and Ahuvia (1988) identify East Asians as having interdependent self concepts where people consume to conform to the collective social group. Interdependent self concepts are consumers who practice collectivism whereby they consume to maintain social ties and as social markers of the social group to which they would want to belong to (Wong and Ahuvia, 1998). Western consumers have independent self concepts (Wong and Ahuvia, 1998) and place more value on individual hedonic experiences (Gerke, 2000; Schaefer et al., 2004). Under collectivism, "wealth status and possessions of the family are more important than that of the individual" (Ger and Belk, 1994, p. 34).

There is constant pressure to purchase commodities to conform to their social groups. Unlike Anglo Saxon communities, Asians, particularly the Chinese, place greater importance to maintaining 'face' value especially the face value of the social group (Chung and Fischer, 2001; Wong and Ahuvia, 1998). According to Ger and Belk (1994, p. 34), "the wealth status and possessions of the family may be more important than that of the individual" and hence greater priority is placed on ensuring the wellbeing of the family or social group's 'face' or reputation (Wong and Ahuvia, 1998). People within this collectivist community consume commodities as a means of maintaining social ties and relations, which is often done through gift-giving (Wong and Ahuvia, 1998).

In Asian communities, the social importance of gift-giving allows an even greater flow of luxuries. Gifts given reflect the social status and ability of the of the gift giver to consume such commodities, which are usually luxury goods (Belk, 1994; Friedman, 1994). Wong and Ahuvia's (1998) study on ASEAN consumers agrees with this argument. Furthermore, most Southeast Asian consumers acquire some of their luxury goods through gift exchange (Wong and Ahuvia, 1998). Bride price or dowry is another form in which luxuries are transferred and consumed amongst youths in Southeast Asia (Sandikci and Ilhan, 2004) including in urban Brunei. According to Sandikci and Ilhan (2004, p. 170), "bride price refers to goods or money given by the groom's family to the family of the prospective bride in return for the realization of the intended marriage". Such gifts include embroidery, jewellery, kitchen items, bed linen, clothing, durables, and property, and would reflect the status of the giver (Sandikci and Ilhan, 2004).

Studies on consumption in Asia also highlight the government's role in influencing consumption as Wong (2003), Assunta (2003), Drummond (2000) and Low (1998) discussed. Chua (1998, 2000) demonstrates how Singapore's government manages consumption patterns through their policies created. Singapore's 200 percent total tariff imposed on cars to reduce problems of overcrowding and pollution made it very expensive to own a car in the small rich country. Chua (1998) highlights that the majority of Singaporeans can only afford second hand cars and live in public housing estates. Singaporeans managed their household finances by: ensuring employment of both spouses, compromise on the quality of both house and car and lastly, forego some consumption items (Chua, 1998, p. 992). Despite Singapore's high GDP, the high cost of living maintained by the government through policies such as tax led to high indebtedness (tied up in property) amongst young households. Chua (1998, 2000) asserts that the growing concerns of Asian governments on levels of consumerism, particularly conspicuous consumption, have eroded traditional ideology of thrift or frugality. To control excessive consumption of young Singaporeans, the state have stringently controlled credit consumption (loans and credit cards) by prohibiting card issuers from any aggressive marketing of issuing unsolicited pre-approved cards, gifts, discounts and incentive schemes sponsored by merchants (Chua, 1998, p. 997).

Many studies on consumption in geography have been dominated by Western scholars with concepts that address Western case studies. However, I have mentioned in section 2.4.2, the importance of acknowledging and appreciating spatial variations as different geographies practice different cultures and regulations (du Gay et al., 1997; Lee, 2002; Miller, 2010). This section mainly covers literature from sociology and anthropology. This literature is useful in understanding different consumption cultures practiced in different geographies. Wong and Ahuvia's (1998) work is helpful but provides a strict dichotomy between Asian and Anglo-American consumption cultures using Western concepts. However, I found Chua's (1998, 2000) arguments on Asian societies' consumption culture to be helpful for my case study because he believes that Singaporean consumers practice a mixture between individualistic and collective consumption culture which are similar to consumers I have studied.

McDowell (2009, p. 220-221):

> …the place (at whatever spatial scale) is constituted through and by interconnections, just as previous sets of social relations affect the ways in which practices and places are defined and work out in a particular time-period. Place is not a box or a container, but rather a set of social relations. The purpose of case studies is not necessarily to search for representative examples, with the aim of generalizing from the findings, but instead to understand complexity and particularity as the outcome of socio-spatial relations.

What I also argue in this section is the importance of avoiding trying to simply fit or generalise financial and consumption cultures practised by different geographies into established concepts or theories developed by scholars researching Western societies, mainly due to localised cultural and regulatory factors that may alter or influence consumer practises and structure.

2.6 Conclusions

This chapter reviews the key features of financing and consumption. Nevertheless the main contribution of this chapter is to examine consumption of both personal financing and commodities within different geographies. However, in order to understand consumers' use of financing and consumption, we must understand consumers' access to finances which is mainly influenced by financial institutions and structures. Financialisation in Western societies has led to structural changes and financial deregulation as well as a shift in consumer finance culture. Financialisation through securitisation and calculative tools has played a pivotal role in creating greater financial access for consumers who were once financially excluded. From my case study, I have highlighted the significance of this and argued that structure and culture carry equal importance when addressing the problems of excessive consumption and credit use.

Young consumers are a significant segment of the retailer's and financial institution's market share. The relationship between consumers and the financial market is not a one way relationship where finance markets have sole control. It is a two way relationship where consumers and their cultural intermediaries, particularly social relations with family, play a pivotal role in influencing level of financialisation (du Gay et al., 1997; Montgomerie, 2009).

This chapter also examines consumerism in Western context which plays a significant role in the consumers' dependency on credit i.e. defensive consumption (Montgomerie, 2009; Schor, 2001) as well as how the presence of credit has resulted in higher materialism in order to achieve the lifestyle and identity chosen (Schor, 1998, 2001, 2004). I also reviewed concepts that I found useful for my case study such as materialism and everyday consumption, the changing values or functions of goods and services consumed as well as the conflict in terminologies used in Western concepts such as inconspicuous and mundane consumption.

This chapter demonstrates that literature examining macro level money flow and debts have been researched by economic geographers. However, there is a dearth in literature in geography related to studies of micro/meso level of money flow especially consumers' relationship with financial market through consumer spending, borrowing, personal debts and consumption as noted by Langley (2008) and Lee et al. (2009). Furthermore, this chapter has highlighted that the bulk of research done on credit and consumption has been on Anglo Saxon societies, with very little coverage or studies on other societies. Lee (2002) and Miller (2010) argue the need to study and appreciate the variation in cultural and regulatory practices of different societies across space and time. This chapter has shown there are some variations in levels of financialisation or consumers' relationship with the financial market as well as consumerism in societies outside the Western realm. For instance, research on Asian communities' shows that the financial cultures and systems practised by these societies differ because of the importance of collectivism and their governance or regulation of consumption and finance.

As noted above, other work on financialisation fails to examine everyday spending habits and consumption culture that have led to problems of indebtedness. I have chosen to interview consumers directly to gain inside information on personal consumption and choices regarding finances rather than just to assume behaviour, such as compulsive consumption (which explains the high materialism of consumers as caused by psychological disorders rather than other rational reasoning such as maintaining social relations) based on Western theories. The next chapter examines research strategies undertaken for this research.

Chapter 3
3.Research Design and Methodology

3.1 Introduction

Economic geographical research involves developing a better understanding of the relationships between people and the distinct processes occurring within a geographical place including social, cultural, economic as well as political practices and regulations (Lee, 2002). Barnes (2001, p. 559) asserts that:

> New Economic Geography emphasizes the above all the social and especially the cultural character of the economy. The economy is neither separate nor hermetically sealed away from its wider social and cultural context; each is in a leaky relationship with the other.

My methodologies are closely linked to the questions examined. The majority of questions asked concern the 2005 financial reform, banking system and general borrowing trends in Brunei, as well as consumers' everyday finances and consumption culture.

Marxist studies in economic geography have always focused on capital and how this influences demand or consumption. A select group of economic geographers, including Lee (2002) and Lee et al. (2009), argue that researchers should investigate beyond capital and investigate the social, cultural and political practices of different places and examine how these factors affect supply and consumption of commodities. Lee et al. (2009), Leyshon (1998) and McDowell (1997) assert that to understand the dynamics of financial services it is insufficient to only explore the traditional notion of rational economic agents and suggest that actors are embedded in social context and specific institutions which play significant roles. Additionally, Leyshon (1998) argues that the researcher needs to have an objective relationship with the places under investigation in order to understand the everyday activities of informants and activities.

Lee et al. (2009, p. 13-16) assert that while there have been a broad sweep of recent research making significant contributions to the empirical and conceptual contours of financialisation[11], this has mainly been through traditional avenues such as ethnographic work in anthropology, sociology and social studies of finance. One potentially fruitful avenue of exploration that could produce complementary

[11] See French et al., (2009).

ethnographies and highlight additional useful information is to explore how less obviously finance-related sites and agents receive, understand and respond to the pressures of financialisation.

Langley's (2008) empirical research using interviews with individuals involved in the financial network (such as regulators, bankers, government officers and trade unionists) as well as financial secondary data collected during his fieldwork have contributed towards his understanding towards everyday financial practices of consumers i.e. savings and borrowing. Through his chosen research strategies, Langley has generated concepts on consumers' relationships with financial institutions and networks. He further argues that social scientists', including geographers, are more concerned with larger scales and forces in finance and how this affects the local scale in particular states and cities.

Recently, geographers have used mixed methods with interviews as their prime research methodology along with participant observation and/or secondary data to explore firms', society's or people's relationships with one another and their reactions towards evolving economic or social events (Cook et al., 2009; Smith and Searle, 2006, 2008; Zelizer, 2001). Cook et al. (2009), Langley (2008), Money (2007), Smith and Searle (2006, 2008), Stenning (2010) and Zelizer (2001) highlight the importance of mixed methods and the need for qualitative research to further explain the relationship between consumers and finances, commodities or with social groups, as well as the complex geography to the manner in which wealth is spent and/or commodity is consumed. Using interviews as the main research strategy has enabled researchers to "explore the questions of when, where, how and why people choose and use their mortgages both as a lever into home-ownership – a means to saving into property – and as a way of rolling equity out of housing and into other things" (Cook et al., 2009, p. 138).

Qualitative research focuses on the understanding of research phenomena *in situ* and "appreciates and unravels meanings" that informants attach to the phenomena and the "complexity of the economic landscape" studied within their "naturally-occurring context" (Yeung, 2003, p. 451-452). Using qualitative methodological strategies proved to be more efficient and effective in gathering sensitive information on financial and consumption culture in Brunei than quantitative methods.

My key research questions required me to examine financial structural changes after the financial reform in 2005 and to also investigate consumers' everyday financial and consumption culture in Brunei. From the onset of this research, I was aware of the difficulty of accessing detailed financial data related to personal debts and socio-economic characteristics of borrowers. Not only was there limited access to financial data, there was also inadequate published data on personal and household consumption in Brunei. During my fieldwork, the government was only just beginning to analyse the results of a household consumption survey they had recently conducted[12]. Taking these points into consideration, I came to the conclusion that my studies should take on a qualitative orientation in order to generate in-depth primary data on consumer spending as well as to discover the meanings consumers attach to their spending. A main concern in my research was getting consumers to open up and provide insights into their financial and consumption practices.

Prior to my main fieldwork, I conducted a pilot study to examine the appropriateness of the methodologies selected and my research schedule. After testing several methodologies, such as survey questionnaires online and personally distributed questionnaires for consumers to fill at their leisure, I found that an in-depth semi-structured interview would be the most appropriate method to negotiate any challenges. The project used mixed methods to explore consumer culture and lifestyle in Brunei Darussalam. A wide range of official data and financial statistics from government institutions was collected and 101 interviews were completed with consumers, finance officers and retailers. This chapter discusses the strategies that were undertaken to overcome and negotiate the difficulties posed by a few of the problems described above. This chapter begins with a brief discussion of the pilot study, followed by the main fieldwork and the multiple methodologies used, and the ethical issues faced throughout my research.

3.2 Pilot Study

This study was completed in April 2008 in Brunei Darussalam with 20 consumers, made up of personal contacts and friends of friends. During the pilot

[12] Information from the household consumption survey was still not ready to be disseminated in the public domain.

study, I undertook two kinds of qualitative research methods simultaneously. I employed both structured open-ended questionnaires and semi-structured in-depth interviewing.

By using structured open-ended questionnaires, I avoided limiting or constraining respondents' or consumers' responses and gave respondents the freedom to give answer with their own opinions. A few respondents were e-mailed and asked to fill in the questionnaire while I conducted my semi-structured interviews. Consumers who were given the structured open-ended questionnaires were those with busy schedules or very shy individuals who preferred filling the questionnaires on their own without my presence.

The following problems concerning respondents' questionnaire responses were identified. Firstly, respondents were hesitant or showed low levels of effort in answering the questions in detail. Most respondents chose to answer in short sentences or answered "I don't know". I was not able to probe further and ask in detail any interesting responses given or for most of the shorter less detailed answers. Using this method can be inflexible and although it can be a quicker and more convenient method of answering questions, one of the downsides is that the respondents' individuality from their responses or body language as a reaction from questions posed is lost. Overall, this method could not provide me with rich enough information about the consumers' everyday experiences, lifestyle and influences related to finances and consumption.

On the contrary, using semi-structured in-depth interviews overcame many of the limitations of the questionnaires. The benefit of using qualitative semi-structured interviewing is that it allows flexibility in the ordering of questions according to different informants and their priorities (Barbour, 2008, p.17). This method according to Kitchen and Tate (2000, p. 214) increases the salience and relevance of the questions as they emerge within the natural flow of the conversation. This method allows the researcher to access 'embedded' processes by focusing on the context of people's everyday lives, where such decisions are made and enacted rather than just simply looking at consumers' characteristics (Barbour, 2008, p.13). Barbour (2008) also believes that one-to-one interviews are more appropriate for discussing 'sensitive' topics particularly when discussing finances and debts.

This method also enabled me to further probe on various issues raised by informants during the interview session, which was not possible when using questionnaires. Based on the rich data collected during interviews in comparison to open-ended questionnaires, I decided that semi-structured interviews were an appropriate way of gathering primary data on consumer finance and consumption culture in Brunei.

3.3 Interviews

Interviewing people enables the gathering of data which we cannot directly observe such as their feelings, emotions, thoughts and meanings attached to what they do, for example when they are managing debts or buying commodities. Valentine (1997, p. 111) explains that using in-depth interviews is a method that is sensitive and people-oriented, which usually allows informants to construct their own accounts of their experiences by describing and explaining their lives in their own words. The aim of interviews according to Valentine (1997) is that it should not be a representative but rather an understanding of individual informants' experience and meanings attached in their own lives. Interviews enable informants to "comment on their experiences and articulate their feelings and values, thus allowing culture to 'speak for itself through individuals' stories" (Hoggart et al., 2002, p. 205).

Primarily, a qualitative in-depth interview method enabled me to extract a deeper understanding and explanation regarding consumers' everyday finances and consumption practices and how they varied over space and time. Furthermore, there is insufficient primary financial data on consumerism especially finance and commodity consumption culture in Brunei. In setting up interviews with consumers, I targeted working consumers between the ages of 20 to 39 from both sexes (refer Appendix A). There were several reasons why I selected this consumer demographic. This group has income potential that grows annually. In Brunei, this particular group happens to typically still live with their parents. This explains their everyday finance and consumption as discussed in chapter five and six. Preliminary research also shows that they are the social group that have most use of credit. Secondly, some of this group have already worked and earned money a few years before the MoF directive was introduced. This allows for some form of comparisons between consumers finances before and the after loan directive.

By definition, this group potentially are of the most concern to the Brunei government. This is because unlike the older generation, much of the younger group do not have a pension scheme and they rely on the Employee Trust Fund (ETF) or better known as TAP as savings for their consumption and debt repayments after retirement (see section 5.6 page 148). In addition, the financial reform introduced affect the younger working population more than the older generation, not just in terms of what they consume but also the types of credit consumed.

Aside from interviewing consumers, I also interviewed finance officers, bankers and retailers in Brunei (refer to Appendix B). Interviews with government finance officers, bankers and retailers were conducted to gather information related to the financial structure and financial regulation in Brunei that control the financial circuit and market which are quite distinct from those practiced in neo-liberal Western countries. This also enabled me to gather up-to-date secondary financial data. Interview data from consumers were used to examine consumers' use and access to finance. The data also helped to identify any social and cultural intermediaries that may influence consumers' level of materialism as well as financial accessibility, which are comparable to those in other geographical locations specifically the US and UK.

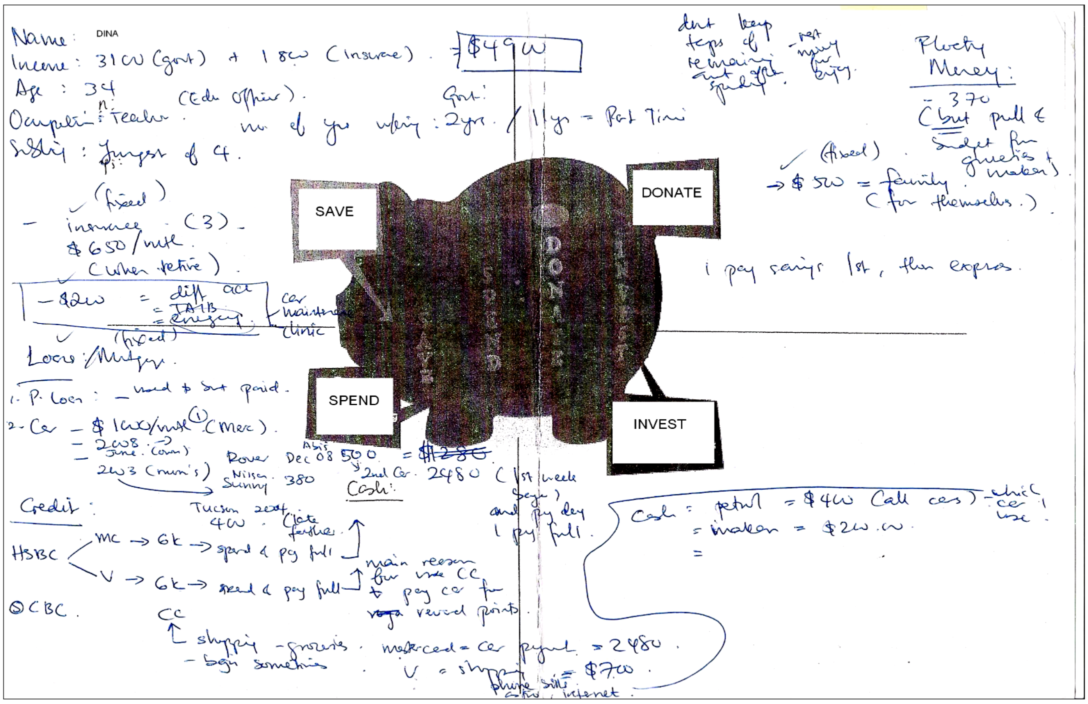
The main fieldwork was carried out between July - December 2008 in Brunei Darussalam. Retailers were the smallest group of informants interviewed during the research. I asked questions about consumer spending patterns and, in particular, their choice or methods of payment and how these varied according to different income levels of consumers. I also asked about peaks in consumption over the period of a year and the types of payment they offered consumers both formally and informally. Different retailers interviewed include a department store manager, jewellery store owners and electronic salesmen.

A semi-structured interview schedule was developed, which worked as a checklist of questions for the different groups interviewed and allowed for follow up questions to be asked (Barbour, 2008; Kitchen and Tate, 2001). Interview schedules for different informant groups acted as a guide but also allowed for flexibility to probe and change the sequence in questioning informants of areas researched. The interview schedules were generated from the analysis of secondary data as well as pilot tests. I used the most common type of interview medium i.e. the face-to-face meeting because of advantages such as the ability to observe consumers' dress style and demeanour, as well as their reactions to my questions through their body language and facial expression (Kitchen and Tate, 2000). I was able to monitor and observe the sensitivity of the questions asked and consumers' physical reactions towards issues raised about their spending and debts.

Field diaries were used to note important ethnographic data about interviewees including fashion style and brands, social background and the car they drove. Interviewing also allowed me to pick up on the informants' body language, facial expressions and emotions which were noted in the diary. Observations were also conducted at banks and popular shopping centres, especially during pay days and sales. During the observations, what were once trivial activities to me became important and were noted such as consumer's fashion or lifestyle when out with friends and their preferred methods of payment. Considering the sensitivity of the questions asked, telephone interviews or chat sessions on the Internet lose personal interactions and reactions that could be observed through face-to-face interviews. Telephone and chat sessions can be inappropriate mediums of gathering such sensitive data especially those related to consumer finances.

During my interviews, I provided consumers with a flow chart to fill in as a means of 'prompting' or helping them to recall their monthly expenditures (refer to figure 3.1 page 62). This flow chart was not intended for any quantitative analysis; it was used to provide a proportion or weighting of consumers' monthly income to different monthly expenditures particularly cash and debt payments as discussed in chapter five. The advantage of using a flow chart was that it helped avoid consumers having to verbally disclose their finances or embarrassing them in public especially when they preferred to be interviewed with the friend who had introduced them to me. After consumers listed their expenditures, they were then probed further on their finance and consumption culture including reasons for such purchases or payments.

Figure 3.1 Consumer Money Flow Chart



The interviews were recorded either by taking comprehensive notes or audio recording of interview sessions. Audio recording of an interview generates an accurate record of interviews with a minimum amount of effort and allows the researcher to listen and concentrate on the discussion rather than having to take notes and having a conversation at the same time (Kitchin and Tate, 2000, p. 218). Before every interview, I asked interviewees for permission to record the interview. The majority of interviewees were fine about this but a few informants from consumers, retailers and government officers were not comfortable that the interview sessions were being taped. Therefore in some cases I had to abandon my use of the audio recordings for these informants and took notes. Furthermore, there were instances where audio-recording was not possible as requested by informants prior to interview.

3.3.1 Consumers

Some of the difficulties encountered at the earlier stages of research involved the recruitment of informants. The recruitment of informants required persuading volunteers, especially consumers to take part. Interviewing consumers was complicated mainly because interviews require a large commitment from informants in terms of their time but more significantly in passing on personal and sensitive information which was not easily gathered when using questionnaires. Randomly knocking on doors, telephoning or even stopping consumers in retail centres would not have been a good means of recruiting consumers: firstly due to the nature of data needed and secondly, because during my fieldwork there were reports in the local mass media on financial scams from overseas seeking consumers' finance and personal details.

It was important for me to build a rapport with consumers based on trust in order for them to feel comfortable enough to open up and share their everyday finance and consumption practices based on the lifestyles they choose to lead. This was achieved through snowballing where I obtained informants through friendship networks, explaining fully the purpose of the research and assuring volunteers that their identity would be hidden to avoid any embarrassments or problems. As expected, I found it difficult to extract relevant information from some bank officers due to their very busy schedules and sensitivity of topic as well as financial data requested.

Additionally, most research examining credit use of consumers often look at households and college students (Maninng, 2000). Very few research studies examine this group, which are said to be the main market or target for lenders and retailers due to their potential of earning more income over the years and high materialism. In recruiting consumers for the interviews, the aim was not to choose a representative sample:

> ... The aim of an interview is not to be representative (a common but mistaken criticism of this technique) but to understand how individual people experience and make sense of their own lives. The emphasis is on considering the meanings people attribute to their lives and the processes which operate in particular social context. (Valentine, 1997, p. 111)

Selective sampling was never an option chiefly because not everyone was willing to be questioned about their finances and debts were an especially sensitive issue. I began with interviewing friends and family. I then progressed to interviewing family and friends' contacts and so on.

The majority of consumers did not want to be interviewed at their place of work or at their homes. The majority of my interviews were conducted at neutral public spaces in particular cafes where we can have a more casual and relaxed interview session. Interviews with consumers were usually conducted after working hours or during the weekends when interviewees were more relaxed and had more time to spare. This was because, although I endeavoured to ensure that my interviews should not exceed more than an hour, on some occasions the issues discussed required more time to obtain information from consumers.

The duration of the each research interview session lasted between forty five minutes to almost two hours. Most of the interviews were held in cafes and conducted in a casual and conversational manner rather than an interrogative manner as recommended by Eyles (1997) and Kitchen and Tate (2000). As a result, the majority of consumers were less worried about time and stayed on talking even after the interview was over. On the other hand, a few interviews were held during the fasting month in October 2008 and had to be conducted in an office. Despite the fasting month, consumers were still willing to discuss the questions. I had to consider the fact that consumers were fasting and interviews were conducted right after work a few hours before the break of fast so I had to be stricter with the length of the interview sessions. Rather than giving a certain interview time for consumers to be interviewed, I allowed the consumers to choose the time they preferred and felt more relaxed with time to avoid rushing the interviews and missing out on important data.

3.3.2 Government Officers

Building a rapport with government officers is a delicate process. This involved obtaining permission from senior officers at the higher level of the bureaucratic system, followed by the directors of relevant departments to select officers to contact me. For the purpose of this research, I wrote to the Ministry of Finance, including officers at the Finance Institutions Divisions (FID) where the Director and Deputy Director were helpful to my request to interview their representatives. The Financial Institution Division is in charge of supervising and monitoring the financial institutions in Brunei Darussalam. Other duties of the FID's include the licensing and regulating of banks and finance companies (both conventional and Islamic), providers of insurance services, moneychangers and money remittance companies.

The interviews themselves were semi-structured involving a mixture of group and one-to-one interviews between six different FID representatives from senior to junior officers. The meetings were normally held at the FID office itself during working hours. Initially, my interview questions revolved around levels of indebtedness in Brunei and reasons behind the introduction of MoF Directive of

2005. This is mainly because detailed information on the directive is not available in the public domain aside from newspaper reports about its implementation. I was also given financial data regarding lending in Brunei. However, due to the sensitivity of the data required, they were not able to entertain my request for a breakdown of lending according to socio-economic background such as gender, age, occupation or income.

3.3.3 Bankers

As expected, interviews with bankers were similar to those with government officers. These informants were often too busy to be interviewed, yet I was able to interview six bankers from both conventional and Islamic banks. Unfortunately, there were a few bank officers who were unwilling to be interviewed with regards to issues surrounding the MoF Directive of 2005. Interviews with government officers and bankers stood in stark contrast to those conducted with consumers. The pressures of time were greater for FID officers and bankers due to their busy schedules. In the case of top level bank managers, interviews were frequently disrupted with workers wanting to see them about work related issues.

A senior bank manager from a conventional bank was kind enough to explain to me the basic differences between conventional and Islamic banking methods. More often during interviews, I felt that the bankers were often comparing and marketing each other’s banking system and products as well as explaining why their banks are less exploitative than others. None of the bank workers were willing to provide me with detailed information or data regarding borrowing trends of their banks in particular socio-economic background of their borrowers. They usually suggested that I obtain the data I need from the FID.

Nevertheless, bankers, and particularly lower ranking bankers who deal directly with consumers, were able to provide some of the reasons for consumers and types of borrowing based on the meetings and discussions with customers who have applied for loans and credits. Senior bank managers were able to tell me about trends of consumption and high borrowing in Brunei and the groups who are often defaulting payments. Senior bank managers also talked about the after effects of the MoF Directive 2005 and how they all agree with the government’s move for financial reform.

3.4 Secondary Data Collection

Secondary sources are a rich source of information (Edwards and Talbot, 1994; Patton, 2002) and they helped to provide background information on Brunei's economy, culture, politics and community. Sources include government reports and documents especially from the Department of Economic Planning and Development and the Ministry of Finance, Brunei newspaper clippings, academic studies, the Internet and photographs and maps. These have been of great use for the research. Using secondary sources such as statistics on youth income or past studies related to consumption patterns and changing culture did not only strengthen the research but are also economical and time saving (Adams and Schvanevldt, 1991; Hodder, 1998). "Records and documents provide the evaluator with information about many things that cannot be observed…" (Patton, 2002, p. 294).

During the course of my research (including my fieldwork), I collected published data that include statistics and government reports. The central advantage of published data mainly surrounds the issue of access (Hoggart et al., 2002). Nevertheless, depending on secondary data alone especially financial statistics provided by the government such as lending in Brunei was insufficient to understand consumer finance and consumption practises. These statistics and reports did not provide any insights as to why consumers borrow money or explain consumers' consumption practises. Nevertheless, government statistics helped generate questions for my in-depth interviews, especially interviews with consumers, governments and bankers. This enabled deeper and more detailed understanding of meanings and cultures practiced by consumers.

Moreover, using data from official documents generated by the government demonstrated accounts of how the government or individuals reacted and thought about the processes occurring within the geographical context (Kitchin and Tate, 2000), for example, the government's data collection regarding lending and borrowing in Brunei and their interpretation as well as perception of the level of debts and debt problems in Brunei.

3.5 Constructing and Analysing Data

As asserted by Crang (2005) and Silverman (1993) recordings of the interview were transcribed, allowing re-familiarisation with the topics, replies, tone of voice, expressions and conditions present during the interview. The transcribing of interview data was time consuming because it involved listening and re-listening of the interviews due to some sound quality or clarity of the voices.

After transcribing, I began placing data transcribed into meaningful categories i.e. coding. Content analyses were completed on the transcribed interview text, and the text was coded, or broken down, into manageable categories on a variety of levels—word, word sense, phrase, sentence, or theme - and then examined by using one of content analysis. The coding stage involved a lot of reading and re-reading of the transcripts, and coding was not a simple process and always entailed constant re-categorising or re-coding of data as ideas are refined based on themes and arguments that emerged from the transcripts as well as specific questions during the research. Themes or meaningful categories were identified and refined through common ideas and patterns that have been emphasised by informants through interviews as well as after reading the transcripts multiple times. Documentary analysis enabled qualitative and categorised findings as well as providing written illustrations of the key themes identified.

During the interview, though the majority of interviewees spoke in English, some informants, whether consumers, bankers or government workers conversed in a mixture of English and Malay while a few preferred to discuss in Malay only. The difference in language (English to Malay) was a slight challenge for this research, especially the use of consumption and credit "jargons". Proper interpretations were ensured, which allowed informants to understand the terms used in Malay. Similarly, interpreting replies from Malay-speaking informants to English during transcription required greater effort, such as finding the right translation for example the direct translation of *sedekah* are alms, aid, assistance and contribution. Consumers had been giving monthly contributions or *sedekah* for their parents to use. On the other hand, during Malay celebrations, consumers also used their monthly finances to fund their *sedekah,* in the form of small notes such as BND$1 to 5, to give to lower income groups but also middle and higher income guests who came to the consumers' homes such as during a Malay wedding ceremony or religious functions. The other example Malay term is *cuci mata* which when directly translated is "wash eyes". In this case, the consumer did not literally meant washing his/her eyes but to look around or observe similar to that of the "flâneur" (Wilson, 1992). There were instances when a translation into English was unavailable due to cultural differences and required a long description or explanation such as the *Pengangun,* who plays a vital role in many Malay wedding ceremonies. Proper interpretation and translation were observed to avoid misinterpretation and to maintain sensitivity regarding questions and answers.

Overall, the structure of the Brunei class position is closely tied to hereditary class status such as *Pengiran* who are nobles (see Brown, 1973). There are other kinds of class locations such as *Pehin* which are designated title which are not based on lineage categorised by Brown (1973) as non-nobles. Due to the complexity of the class position in Brunei and for the purpose of analysis, I attributed class positions throughout my dissertation based on informants' income grouping (see appendix A). I classified consumers with a monthly income below BND$2600 as lower income consumers compared to those earning more. Other consumers interviewed who earned more i.e. BND$2600 and above were categorised as middle income consumers. I had also taken into consideration that in general consumers earning BND$2600 monthly were officers at their place of work. The majority of consumers who fall in this category had a Bachelors degree while consumers earning below BND$2600 were Higher National Diploma holders or lower. Consumers who earned below that threshold such as clerks, secretaries and skilled workers interviewed often refer to themselves as lower income earners.

3.6 Ethical Considerations

> Social research, moreover, often requires that people reveal personal information about themselves – information that may be unknown to their friends and associates. And social research often requires that such information be revealed to strangers. (Babbie, 2010, p. 64)

As noted, much of data acquired during the fieldwork involve consumers' finances and lifestyle. Due to the sensitivity and confidentiality of such data, I needed to consider the ethical issues in my research and write up. The main ethical concern from my research is to limit any physical and emotional hurt or problems to the subjects studied (Babbie, 2010; Limb and Dwyer, 2001). The anonymity and confidentiality of the subjects were upheld upon request to ensure their safety and well being, especially with the interviewees detailing their borrowing and spending practices and culture. I also did not want to implicate any of informants especially when consumers were found to have used funds from government car loans for quite different purposes. (See section 5.5.1 in chapter 5).

The other ethical consideration involved being careful as to not reveal information that would embarrass informants, their family and property (Babbie, 2010, p. 85). At the beginning of the interviews, informants were embarrassed to discuss their debt problems and especially terrified of the thought that their finances such as debt problems would be disclosed and published for anyone to read. This was because Brunei is a small and close-knit community with many people knowing one another or related to one another. To ensure the anonymity of the identity of informants, particularly of consumers, pseudonyms were used throughout the research. James (2007) and Langley (2008) for instance, did not disclose the real identities of their informants due to the sensitivity of financial and spending information provided by informants.

3.7 Reflecting upon the Methodological Approach

What I found interesting using interview as the main methodological approach is how easily accepting and open informants were when disclosing their finance and consumption details during the interviews. Recruiting and getting informants to open up and talk about their finances and consumption habit was challenging during the earlier phase of my interview stage. As noted earlier in section 3.3.1, personal connection and snow balling helped gained informants' trusts and confidence and hence access to Bruneians' every day finance and consumption culture.

Explaining my position as a Bruneian research student helped to overcome problems related to recruiting and getting informants to open up during my interviews. According to Crang and Cook (2010, p. 44) "Researchers' skin colours, nationalities and (apparent) religious affiliations for example, can often mean they get '(mis)placed' by their respondents in unexpected and enlightening ways". I found that my skin colour, nationality, gender, religious affiliation and class background as a PhD student was never a hindrance for data collection. Rather, they saw talking to me about their everyday financing and consumption was a means for them to voice out their concerns related to the development of financial structures and informants' access to personal financing that had an affect on their consumption patterns.

In addition, as noted in section 3.1, government researchers found it challenging in collecting consumer debt data using questionnaire surveys. The problem with gaining access to consumers' personal debt data could be linked to 'positionality' and the unequal power relation between the government researcher and respondents (see Chacko, 2004; Rice, 2010). During the fieldwork, I tried to minimise issues related to positionality firstly by introducing myself as a research student and assured them that their identities would be kept confidential. Being a Muslim woman in an Islamic country, I had to observe and be sensitive to the Islamic rule by having my interviews with my male Muslim informants in public spaces in particular cafes or if I had to interview them in a private office I made sure there was another woman present in the room but sat further away so as to not hear the interview. By doing so, I avoided breaking any Islamic rule and minimised any discomforts as well as awkwardness between informants and myself (refer also section 3.3.1).

Additionally, being a Bruneian Muslim enabled me to understand and be sensitive to cultures and understand the complexity of certain cultural and religious practices such as the different rituals in wedding ceremonies, observing the fasting month by not inviting informants to cafes for interviews, having interviews when informants need to prepare for the break of fast or during the nights in *Ramadhan* when informants want to perform *Ramadhan* prayers, the week close to as well as during the first two weeks of *Eid-ul Fitr* when informants are busy shopping and preparing for their celebrations and special occasions.

Access to informants and their personal data would have been challenging for a researcher without any local contacts and networks. Being a foreigner in a closed society could be a draw back for the researcher to gain access to financial and consumption data from institutions and informants especially without the help from local connections. More importantly, foreign researchers were more likely to need more time to build a rapport and gain informants' trust and gather personal and confidential personal finance and consumption details.

Furthermore, being a local, I was able to observe the local cultural and religious practices such as considering consumers' wellbeing during the fasting period, avoid being alone or have any physical contact including shaking hands with informants from the opposite sex[13]. By avoiding cultural taboos, both the informants

[13] Physical contact with the opposite sex who is not immediate family members or spouses is forbidden in Islam.

and I felt comfortable and relaxed during interviews. Foreign researchers would need time to learn and be accustomed to local traditions and cultures to avoid offending local informants.

3.8 Conclusions

In this chapter I have highlighted and reflected on research strategies employed which involved mixed methods. Face-to-face semi-structured interviews were central to the research and were supplemented by secondary sources. The aims of my research deal with understanding consumers' everyday finance and consumption culture by examining their lifestyle and their relationship with financial networks or their cultural intermediaries. Intensive research methodology i.e. in-depth interviews were the most appropriate strategy to employ.

My cultural knowledge based on my social location and positionality as a Bruneian enabled me to select and employ the most strategic research methodology for this research. In addition, maintaining the well being of informants had been a primary concern throughout the research without trying to compromise the quality of data required. All these considerations had thus influenced my ability to carry out this research and improved the smooth running as well as increased my access to informants and relevant data.

The next chapters of this thesis elaborate and explore in detail the research findings and data analysis of the research fieldwork, beginning with exploring the financial governance, financial structure and borrowing trends in Brunei. Chapter four essentially examines financing development in Brunei which is distinct from other geographies mainly due to government intervention and regulations.

Chapter 4

4.Financial Market Trends and Reactions in Brunei Darussalam

4.1 Introduction

In Chapter two, I discussed financialisation in Western societies and emphasised the importance of appreciating varying regulatory and cultural practices imposed by different geographies, as emphasised by Lee (2002). Studies on finance in relation to geography have been mainly based on Anglo-American societies with a dearth of finance study in societies beyond North America and Western Europe, particularly developing and Islamic societies. In the introductory chapter, I described Brunei Darussalam as a welfare society where the government provides social welfare and subsidies to its citizens and regulates the economy and political system to ensure peace and stability. Brunei's regulatory system demonstrates the unique relationship between the financial lending institutions and the government. In this chapter, the different patterns and degree of financialisation in Brunei compared to other geographies particularly that of Anglo-America are demonstrated, thereby supporting and illustrating Lee's (2002) assertion of the importance of geographical variations in the cultures and regulations surrounding money.

The aim of this chapter is to explain Brunei's financialisation trend and development, focusing on how cultural intermediaries (du Gay et al., 1997), in this case the government's financial reform introduced in 2005, affect financial institutions and society's financial culture. This chapter begins with an outline of the evolution of financial institutions and lending patterns in Brunei. This is followed by a consideration of the introduction of the Ministry of Finance (MoF) Directive introduced in 2005. Finally, I examine the reactions of financial institutions and consumers to that directive. Research findings based on secondary data collection and semi-structured interviews form the heart of this chapter. These findings should be read as interconnected and intertwined with those presented in the next two chapters. The three chapters form the core of this study, the aim of which is to examine the evolving finance and consumption culture of Bruneians, especially after the 2005 financial reform.

4.2 Financialisation in Brunei

Financial institutions and practices in Brunei are regulated by the Ministry of Finance (MoF). The Financial Institutions Division (FID) under the MoF monitors and regulates financial services or products offered by financial institutions such as investments, insurance, savings and lending. Currently the few banks present in Brunei have to aggressively pursue product innovation and marketing due to the small market size in Brunei with a total population of about 380,000 but with a GDP per capita that is one of the highest in Asia at about USD$24,000 (Oxford Business Group, 2007). Banks in Brunei have concentrated primarily on personal finance services involving higher consumer spending (Oxford Business Group, 2007, 2008). This section discusses the relationship between financial institutions and Bruneians and how intermediaries, in particular the government, influence this relationship and Brunei's financialisation trend. As noted in the introductory chapter, my research focuses heavily on borrowing and consumption.

4.2.1 Financial Institutions

The majority of banks in Brunei are conventional banks which are locally operated but foreign-controlled branches of international banks such as Standard Chartered Bank (SCB), Hong Kong and Shanghai Bank Corporation (HSBC), Citibank, Malayan Banking, Singapore's United Overseas Bank Limited and RHB Bank from Malaysia. The only locally operated and incorporated conventional bank is Baiduri Bank. Despite being an Islamic country, Brunei has both the conventional and Islamic banking systems which Bruneians are free to access. Bank Islam Brunei Darussalam (BIBD) and Tabung Amanah Islam Brunei (TAIB) are the only financial institutions that adopt the Islamic Finance System in Brunei. TAIB is government owned and was initially a trust fund for Muslims to make pilgrimages to Mecca but now offers Islamic financing facilities such as savings and lending to consumers (Ebrahim and Tan, 2001). Both Islamic institutions have very senior officers working with the government as Board of Directors to monitor their development. The few financial companies in Brunei include HSBC Finance (Brunei), BIBD At-Tamwil and Baiduri Finance.

Brunei has a manageable number of finance companies with conventional banks offering a quite constant prime lending rate of 5.5% per annum which is one of the lowest in the world (The World Bank, 2010). Prime lending is the norm in Brunei, and interest rates are determined by individual banks, but they are still lower than subprime lenders with less than 6% on average per annum for a car mortgage, and an average of 24% per annum for credit cards. This compares to the widely used subprime lending with interest rate as high as 20-40 times more than prime lending rates in many Anglo-American societies depending on the level of the risk of the consumer defaulting repayments (Langley, 2008; Montgomerie, 2009).

Senior Bank Officer 3 who works for an Islamic bank asserts that Islamic banks in Brunei follow Islamic principles, and charging interest on loans is forbidden. Islamic law prohibits the charging of *riba* or interest and necessitates any transactions to be linked to assets or *murabaha* [14](Pollard and Samer, 2007, p. 315). Hence, one of the main comparisons between financialisation in Brunei in particular and Anglo-American societies is that the repayment of lending in Brunei is much more controlled and regulated by the government and *Syariah* law. This contrasts with Anglo-America's more complex financial systems especially with subprime lenders setting excessive interest rates and with governments' playing a minimal regulatory role in the finance market prior to the global financial crisis in 2008 (Christophers, 2009; Langley, 2008; Lee et al., 2009). Financialisation in the West has typically involved, and been encouraged by, a 'light-touch' system of regulation that has allowed banks to enter different investment and retail markets and experiment with complex new financial products.

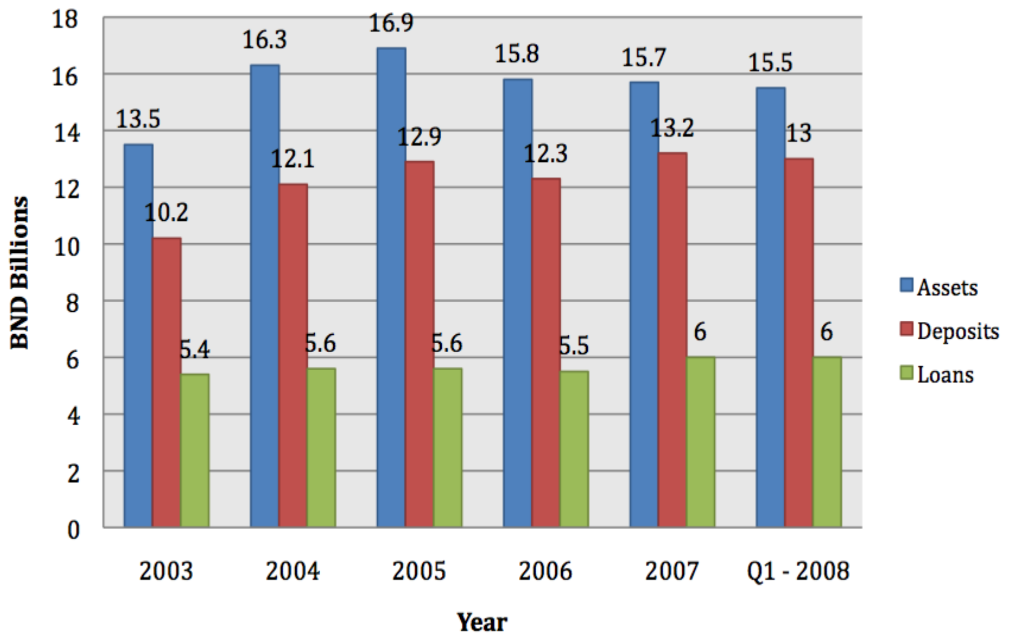
4.2.2 Brunei's Lending Culture

Unlike financialisation in the West, Brunei's financialisation and problems of indebtedness arise from excessive borrowing through prime lenders. This section examines the general lending patterns from prime lenders in Brunei that have led to financial reform. As noted in section 1.4 (page 8), both the Deputy Director of FID and all senior bank officers argued that traditionally, limits on borrowing were strict but have now become more lenient. This is mainly because of the presence of competition due to the increasing number of local and global banks in addition to a growing number of working Bruneians with better pay, especially after independence in 1984.

[14] The bank buys the asset or commodity the customer desire or need and resells it to the customer with no interest but with a predetermined profit. Hence Islamic banks in Brunei do not rely on any prime lending rate. In time, through monthly payments to the banks, the ownership of the commodity is then shifted from the bank to the customer.

Examining the banking statistics in Brunei, it is clear that generally the levels of total loans are lower than total assets and deposits. Brunei's banking sector's total assets for the first quarter of 2008 were about BND$15.5 billion, total deposits having increased from BND$10.2 billion in 2003 to BND$13 billion in first quarter of 2008 while total loans showed a slight but steady increase to about BND$6 billion in 2008 from BND$5.4 billion in 2003 (See Figure 4.1). Reports from the FID officers have stated that the main bank deposit holders are residents with 53% and the government with about 40%. Interestingly the Senior FID Officer 2 and FID Officer 2 whom I interviewed, informed me that the few rich individuals from higher income families contribute largely to the total deposits in Brunei.

Figure 4.1 Banking in Brunei: Total Assets, Total Deposits and Total Loans

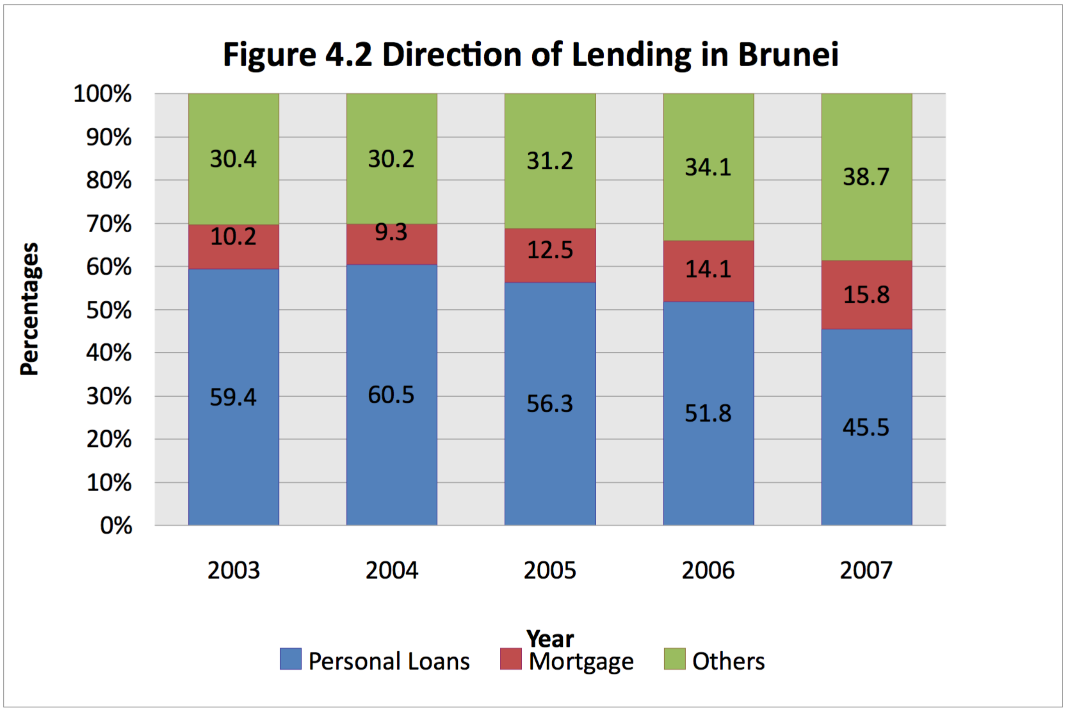


Source: Adapted from MoF (2009) and Oxford Business Group, 2009

According to my interviews with the FID Deputy Director as well as Senior FID Officer 1, the government is particularly concerned about the low levels of savings or deposits by the majority income groups, which are the middle and lower income class, and thus perceives a need to improve the poor savings culture. This reflects the fact that most Bruneians' relationship with financial institutions is heavily based on lending services provided by banks rather than on savings or investment services. This relationship is similar to that noted in Western societies by

Christophers (2009), French et al. (forthcoming), Langley (2008) and Lee et al. (2009) where lending is a prominent service provided by financial institutions and increases the relationship between financial markets with consumers in Western societies while savings remain low.

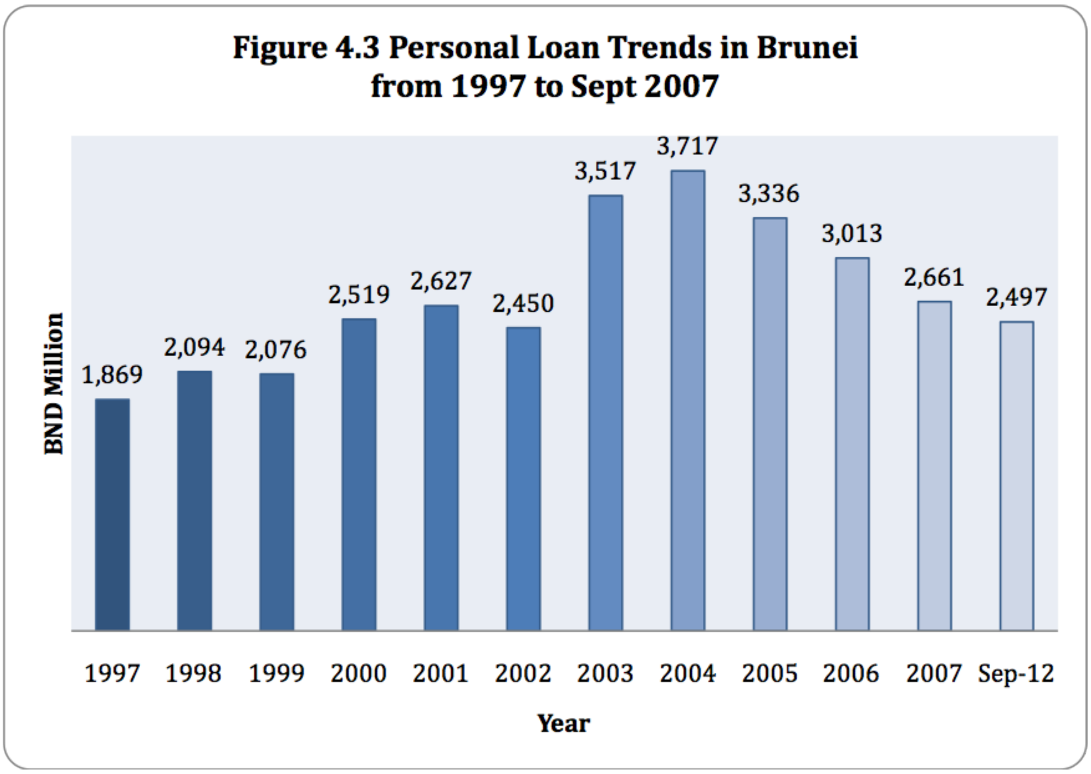
Moreover, figure 4.1 also shows that there is an overall increase in both total assets and total loans. Total loans grew from 2005 to 2007 by nearly BND$400 million. Total deposits increased in 2005 to 2007 by just BND$300 million. The change in lending trends especially after 2005 was due to changes in policies with the MoF Directive of May 2005 curtailing borrowing from personal loans and credit cards. Consumers therefore turned to other sources of borrowing, including that from financial companies. According to statistics gathered from the FID (2010), in terms of total deposits, in 2008, conventional banks had a market share of 68.95% (BND$11.26 million) while Islamic banks had only 31.05% (BND $5.07 million) of the total market share in Brunei. However in the same year, conventional banks provided 50.4% of the total financing (BND$2.89 million) while Islamic financial institutions provided 49.6% (BND$2.84 million). Lending by banks in Brunei can be divided into the following categories: personal loans, mortgage, professional services, general commerce, construction, transportation, manufacturing, credit and financial institutions and agricultural. According to FID Officer 1, personal loans and mortgages fall under consumer personal borrowing from banks and the other types of lending mainly fall under commercial lending.



Source: Adapted from Ministry of Finance (2009) and Oxford Business Group (2008)

Figure 4.2 provides a clearer picture of the credit or lending trends in Brunei with personal borrowing constantly making up the highest percentage. In 2004 for example, personal loan took up about 60% of the BND$5.6 billion worth of total lending or loans. This was compared to other lending i.e. industrial or commercial use lending which had continuously been less than 35%. Figure 4.2 also shows that despite the declining amounts after 2005, personal loans still accounted for the bulk of total loans. Figure 4.3 below shows that in 2005, personal loans stood at $3.34 billion, but fell to $3.01 billion the following year. The figure fell further to $2.66 billion in 2007 and to BND $2.50 billion as of the first nine months of 2008.

Since the 1990s, easily available and generous personal loans, credit and leasing schemes to customers had made borrowing part of the Bruneian lifestyle or culture, such borrowing is to service high consumption rather than for production or investment (Ebrahim and Tan, 2001). This demand for borrowing was similar to the financialisation culture in Anglo-America (Langley, 2008). However, if we break down the types of borrowing, the main cause of concern for Anglo-Americans that led to the global finance crisis of 2008 was mortgage lending. Through housing mortgages, consumers used their homes as collateral to borrow money to be re-invested into their homes, to buy bonds and shares or to spend on other consumer durables. However the source of main concern was the use of mortgages to finance the purchase of consumer durables and holidays (Smith and Searle, 2006). On the contrary, if we refer to figure 4.2 in Brunei personal loans rather than mortgages, had always been the major cause for concern by the government. This led the introduction of controls on credit limits through the financial directive of 2005.

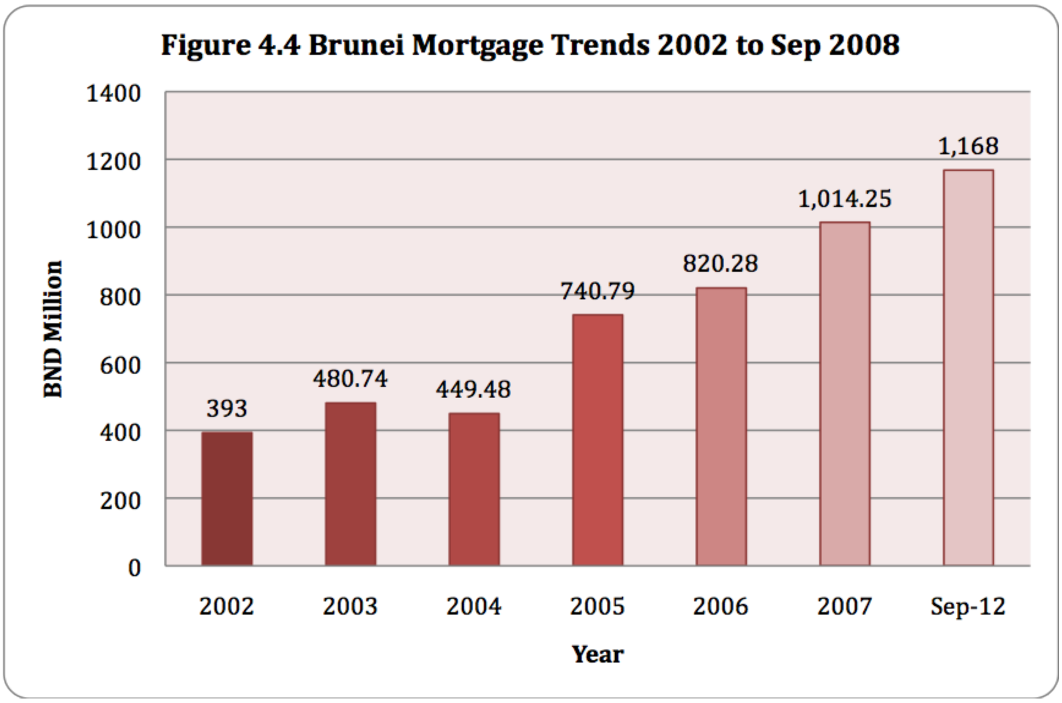


Source: Adapted from FID (2008) and Oxford Business Group (2008)

The MoF Directive of 2005 had a significant impact on the level of borrowing from banks. Figure 4.3 specifically shows the changing trends in personal loans. The total amount of personal loans from banks was already about BND$1.87 billion in 1997. The graph shows a growth in the total from 1997 to 2004, with an average increase of about BND$264 million annually (with some fluctuations in-between). In that period, the total amount of personal loans almost doubled. However, personal loans peaked at BND$3.72 billion in 2004 and declined steadily from 2005 onwards, from BND$3.34 billion in 2005 to about BND$2.50 billion in September 2008. There was a total decline of BND$839 million within the space of 4 years making the average annual reduction of about BND$280 million or 9% from when the financial reform was implemented in 2005.

On the other hand, the amount of mortgage lending had been less significant than personal loans before 2004, especially with an absence of mortgage value from

1997 to 2001. Figure 4.4 shows that mortgage levels from 2002 to 2004 fluctuated slightly but remained less than BND$500 million. They often took up about 10% of total lending in Brunei (figure 4.2). This form of borrowing was the least popular amongst consumers prior to 2005 mainly due to consumers' higher dependency on and preference for personal loans for consumption.



Adapted from FID (2008); MoF (2005) and Oxford Business Group (2008)

However, from 2004 to 2005 there was a sudden increase in mortgage lending, an increase of BND$291 million. Levels of mortgage lending continued to increase from BND$740 million in 2005 to BND$1,168 million by September 2008, an increase by BND$428 million. The average annual increase from 2005 to September 2008 was about BND$142 million, representing a 17% average annual increase. The growing dependency on car mortgages after the cap in personal loans was the main cause for the changes in the borrowing trend (see section 4.4.1 page 88).

Some of the commodities purchased through borrowing, in particular personal loans, included houses, cars, furniture, home improvements and extensions, consumer durables particularly gadgets and luxuries, weddings and holidays (interviews with FID officers and bankers, 2008). According to Bank Worker 1:

> People will always be applying for loans… no matter what age group or generation…we have fresh graduates applying…newlyweds…we also get the older people applying for personal loans but this is usually for home extensions or improvements and their children's education.

Due to Bruneians' high dependency on personal loans for consumption, the levels of credit card use were not as excessive as they had been before the MoF directive was introduced in 2005. However, there was a growth in credit card use and dependency in Brunei after 2005 (see section 4.4.2). According to the FID (2009), the number of credit cards approved in 2005 (114,371) was an increase of about 18% after the number approved in 2004 (94,059). The roll-over balance (ROB) for credit cards increased by about 17% from BND$160 million in 2004 to BND$193 million in 2005. The Brunei Fiscal Monetary Report (2005) indicated that the average credit card debt per credit card holder was BND$1701 in 2004 but was slightly lower in 2005 with BND$1687. This can be compared to the UK, where in 2005 the number of credit card accounts was about 61 million and the credit card debt per capita was £4,089, or BND$8586 ("Mortgage and Banking", 2008). On the other hand, in Singapore the ROB for 2005 was BND$3.4 billion, with 4.4 million credit card holders and an average credit card holder debt of only BND$773 ("Trapped by lure", 2009).

After 2005 due to the Directive, the number of credit cards approved and the roll over balance increased by more than 15% in Brunei. Furthermore, it became highly likely that a consumer would possess more than a single credit card, as was the case in Singapore and the UK. All the senior bank officers interviewed claimed that similar to loans, demand for credit card usually peaks during the festive season particularly for *Hari Raya*[15] or Eid ul-Fitr. Reasons for borrowing and using credit by the young Bruneians have been mainly for goods and services which have instant gratification value rather than long term benefits such as a house. This was supported by Bank Worker 2:

> People use money from their personal loan to pay their credit card bills including existing debts they have already accumulated like when they were studying abroad, or weddings expenses especially common among fresh graduates …some use personal loans for home improvements but the bulk of the loan is used for shopping for consumer durables… and holidays abroad. You also get [sic] people applying for loans from several different banks before the loan directive…but this is not the case now with the loan directive, now the government only allows consumers to get a loan from the bank where their salary is remitted into.

[15] This is a Muslim holiday or festive season that marks the end of Ramadan i.e. the fasting month in the Muslim calendar.

Wedding costs in Brunei are very expensive, usually between BND$30,000 to BND$60,000 for an average graduate middle class consumer who is expected to pay the costs of his or her wedding. This takes up a huge portion of young consumer debts. Young Bruneians are under pressure to conform to social obligations and customs to spend as much as their wealthier neighbours or relatives. This culture still pervades Bruneian society today (Hazair, 2008). Another significant cost for most consumers within the age range of 20 to 30 years old is the purchase of a car (often beyond their economic means) and mistakenly viewed by many as a symbol of social success or an asset to be seen in (Hazair, 2008). Consumption and the use of finance to facilitate this consumption are heavily influenced by social cultural factors. du Gay et al.'s (1997) concept of the importance of cultural intermediaries explains how a consumers' demand for goods and finance as well as how finance suppliers are influenced by cultural intermediaries through the cultures, norms and regulations practiced. One of the important relevant cultural elements in Brunei is wedding and their financing. Issues relating to the importance of cultural intermediaries to consumers are discussed further in chapter five and mainly in chapter six.

At the moment, Bruneians' excessive borrowing originates from personal loan, mortgages and credit cards chiefly from prime lenders, whilst in the UK and the US the main source of the credit crunch and financial crisis is due to credit card debts and mortgage loans from subprime lenders to fuel high levels of consumer spending (Christophers, 2009; Cook et al., 2010; French et al., 2004, 2008; French, et al., forthcoming; Langley, 2003, 2008; Lee et al., 2009; Smith and Searle, 2006, 2008). Prior to 2005, Bruneians' high indebtedness had been attributed to borrowings from personal loans to pay for consumer durables and services rather than mortgage loans. Most Bruneians interviewed did not own a house and depended on housing provided by the government, or they still lived with their extended family. Moreover, formal financial institutions had to compete with government loans that offer zero interest charges or minimal administrative charges to civil servants including providing housing loans.

Prime and subprime lenders in the UK have access to calculative tools which help them classify and identify high risk consumers that provides high returns or profits for lenders through interest charges (Langley, 2008). Those financial identity tools are credit scoring or ratings. These were originally used by mainstream prime lenders to identify high risk consumers in order to financially exclude them, however, they were then used by subprime lenders to identify financially excluded consumers i.e. high risk consumers who became their main and most profitable market share (Burton et al., 2004; Collard and Kempson, 2001; Langley, 2003; 2008). On the other hand, currently Brunei does not have any form of proper credit scoring or rating which makes it difficult for prime lenders to identify high risk consumers. Local banks and financial companies depend highly on information from consumers to make checks such as an employer's letter stating the consumer's monthly income, recent bank statements, and asking consumers about their existing financial products or services used. Banks also check to see if the consumer has been black listed under the BAB list and sued in court. However, according to the bank managers I interviewed, banks do not contact other banks to ask about their customer's credit accounts.

The problem of high borrowing for personal use by consumers, especially personal loans, was only addressed by the government in 2005 after the Asian Economic Crisis 1997. The Amedeo Case, which involved the misuse of billions of dollars of the Brunei government's money in the 1990s (Oxford Business Group, 2008), as well as low oil prices and the rising number of bankruptcies in 2004 caused the government to use up too much of its reserves. This pushed the government particularly the MoF to rethink its policies of sustainable financial security of Bruneians particularly through saving for their future. Bank officers believe that the high consumer spending is due to Brunei's unique structure with lots of assistance to people including free schools and no income tax which eventually makes net income higher but savings remains historically low (Oxford Business Group, 2007). With many still dependent on borrowings from banks to maintain and service their lifestyle.

4.3 Regulating Financialisation: Ministry of Finance Directive 2005

According to Pehin Dato Rahman Karim[16] the world saw "capitalism at its worst" with the creation of virtual money especially with the introduction of subprime lending packages through neo-liberalisation and securitisation that has left

[16] Formerly the Permanent Secretary of the Ministry of Finance and the Ministry of Defence, he was the First Managing Director of BIA (1983-1992), First Chairman of Taib (1991-1993), Chairman of IBB (1986-1993), and reappointed Chairman of Islamic Bank of Brunei (IBB) on 1998-2001,

the financial market unchecked and inflated, eventually bursting the bubble of debt ("Fixing the crisis", 2008). These debts imploded in March 2008 in the US and quickly spread to the UK, causing a massive collapse in the prices of real estate properties and financing, especially when high risk consumers could not afford to repay their installments given the high interest rates imposed. The subprime lending problems diffused to the 'real' economy reducing oil prices from USD$147.50 (BND$221) per barrel in July 2008 to just USD$70 per barrel (BND$104) in October 2008, because consumption was falling and controlled ("Fixing the crisis", 2008). The financial crisis caused by subprime lending and the bursting of the housing market bubble resulted in a so-called "credit crunch", with banks and financial institutions in countries influenced by the Anglo-American model becoming less willing to lend to high risk consumers.

Unlike Anglo-American financialisation, where financial liberalisation reduced government control and shifted financial power to global capitalism and financial institutions (Langley, 2008), the Brunei government continues to maintain its control and constantly regulates finances in Brunei. Senior FID Officer 1 assured me that the new securitisation, which involves acquiring money from investors for mortgage lending (particularly subprime lending) was never practiced in Brunei. Under securitisation and subprime lending practices, loans are sold and become virtual assets to investors. The officer further asserted that Brunei government acknowledges Islamic finance and how Islam forbids virtual asset investments[17]. The Borneo Bulletin reported that the Minister of Finance II asserted that the subprime lending and credit crunch in the US "is a clear and high profile example of the excessive cost of excessive and poorly managed debt situations …His Majesty's government will continue to re-emphasize the need for strong financial regulation and risk management to keep financial institutions in Brunei robust and resilient… with the FID regulating financial institutions to ensure that banking risks are well managed and backed up by adequate liquidity as well as long-term capital" (Mohamad, 2008, p. 2).

Brunei banks remained largely unaffected by the financial crisis of 2008, but this was not necessarily the case for their international parent groups and some weaknesses have inevitably trickled down to the Sultanate's financial institutions

[17] See Pollard and Samers (2007)

(Oxford Business Group, 2008, p. 73). The main concern for Bruneians was the hike in oil prices, which resulted in a slight increase in prices (by a few cents) of some basic necessities and comforts aside from those subsidised by the government. Despite the increase in prices of foodstuffs, life in Brunei (including consumption) remain almost unchanged. Nevertheless, one obvious hike in prices due to fluctuations in oil prices has the cost of air fares, thus making more Bruneians especially those with large families to opt to drive across the borders for their annual rather than flying abroad.

Limits to credit in Brunei began when the government implemented the MoF Directive in 2005 essentially due to the growth of indebtedness and the poor savings culture by Bruneians to sustain their livelihood after retirement. His Majesty's government has highlighted its ongoing efforts to develop mechanisms that can financially secure Bruneians after retirement especially after the introduction of TAP in 1993 which shifted greater responsibilities to consumers in ensuring their future financial security especially through saving for their future. According to the Deputy Director of FID, the levels of borrowing were worrying the government, particularly when Bruneians keep topping up their personal loans therefore prolonging their repayment periods. He added that the government was concerned that eventually most of the money saved through compulsory saving (i.e. the TAP) by Bruneians for their retirement would be deducted to pay off their debts to financial institutions, especially banks. Under the TAP, every month the government deducts 5% of Bruneians' monthly income to be deposited into their trust fund, while employers contribute an additional 5% towards their TAP. "The Sultanate's young population is clearly an advantage here, as savings and investment habits are widely seen as more changeable in consequence" (Oxford Business Group, 2008, p. 76). His Majesty emphasised the need to shift the Sultanate "from a consumer society to a savings society" during his 62nd birthday speech in 2008.

The manager of SCB observed that many consumers are geared towards a borrowing mindset, rather than to a savings mindset, and banks constantly have to work with the MoF to discourage the development of financial products and services that are designed purely to increase consumer expenditure (Oxford Business Group, 2007). Banks must be responsible for looking at customers' debt-to-income ratio and deciding how much to lend and for what purpose to reduce excessive borrowing

(Oxford Business Group, 2008, p. 73-74). The culture of credit dependency, despite the various benefits provided by the Brunei government, reflects how consumers have trouble managing and planning their finances. Poor financial capability led the government through Ministry of Finance to implement the MoF Directive on 16th of May 2005. The objective of the directive is to reduce the level of personal debt and to promote a savings culture (Too, 2008). It is hoped that the financial reform could change how consumers manage their money and control their dependency on credit.

The MoF Directive 2005 emphasised the control of personal loans and borrowing time. Those entitled to a personal loan could apply for a maximum loan of 12 times his/her gross monthly income, including allowances and overtime (see table 4.1). Previously, consumers could take a loan for as much as 36 times his/her gross salary. Thus, before 2005, an average graduate holder who earned about BND$3000 a month could borrow as much as BND$108,000 as a personal loan, after May 2005, a graduate could only take out a maximum loan of BND$36,000. According to FID Officer 1, the repayment period for personal loans before 2005 could go on until a consumer's retirement age. However, following the Directive, a consumer's repayment period for their personal loans should not be more than six years. Before 2005, Bruneians could top up a personal loan at any time but after the financial reform consumers can only top up after paying off 75% of their total personal loan. As a result, some banks aggressively market consumer durable financing, more credit cards and/or increased credit card limit as well as home re-financing loans.

Table 4.1 MoF Directive 2005 Guideline for Personal Loan

Before 2005	After 2005
36 x Monthly Income	12 x Monthly Income

The finance directive also addressed issues pertaining to credit cards. Senior Bank Officer 2 when interviewed believed that in the financial loan directive credit card limitations were slightly relaxed in comparison to credit limits prior to 2005, depending on which income tier a consumer fell into, see Table 4.2. For credit card applications, there were different tiers set on the amount of credit approved, according to borrowers' income. Those whose basic salary falls within the lowest

BND$500 to $1999.99 were entitled to a credit limit of twice his/her net salary. Whilst the second tier was for those with a net salary between BND$2,000 to $3,999.99 (which was and is common amongst the younger degree holders) had a credit limit of four times their net monthly salary. On the other hand, those who fell within the upper tier such as those earning BND$4000.00 or more could have a credit limit of eight times his/her net monthly salary.

Table 4.2 MoF Directive 2005 Guideline for Credit Card Limit

Before FLD 2005	After FLD 2005
Monthly Income X 2	Lower Tier Monthly Income: BND$500 - 1999.99 X 2 Middle Tier Monthly Income: BND$2000.00 – 3999.99 X 4 Upper Tier Monthly Income: BND$4000.00 & above X 8

The financial directive made an impact on personal financing and consumption patterns of Bruneians interviewed. Those mostly affected were consumers who had just started working as it put a cap on their personal loan. Interviews with consumers who had obtained a personal loan before the MoF Directive 2005 revealed an obvious unhappiness about the reform as they felt it minimises spending and it makes it harder for them to obtain a re-loan. On the other hand, 80% of consumers of the post 2005 Directive interviewed felt that the directive does not affect them or stop them from consuming at all. The remaining 20% of informants feel the pinch of the financial reform especially those who intend to get married, forcing them to find other means to finance their weddings. Additionally, after the MoF Directive was introduced, FID required banks to categorise loans more carefully which eventually will have a noticeable impact on lending trends.

Unlike financial liberalisation in the US and the UK where financial institutions have control on financial inclusion or exclusion of consumers (Kempson and Sheradden, 1999; Langley, 2008), in Brunei the government plays a significant role through the MoF Directive 2005 in regulating and limiting consumers' access to finance involuntarily. Lending institutions in Brunei were forced to limit consumers' access to borrowing through limiting their credit available. This reform affects all income levels. Similar to Anglo-America financial institutions, Brunei's financial institutions see income levels as one of the important determinants of a consumers' access to or exclusion from their financial products, especially credit. The next section examines the development of Brunei's financing system especially the roles of financial institutions in influencing consumers' finance use and access after the financial reform by making finance easier and quicker to obtain. Section 4.4 also shows ways in which Bruneians access other forms of lending to get around the banks' caps on personal loans.

4.4 Financial Responses to Regulated Lending

After the financial reform, banks and their subsidiary companies as well as retailers quickly reacted by providing consumers with alternative sources of financing by re-introducing several kinds of loans and mortgages as well as quicker and more credit approval.

4.4.1 Loans and Mortgage

Somewhat differently from the UK and the US, Bruneians depend on mainstream prime lenders and not subprime lenders. Brunei's banks, including Islamic banks, came up with different categories of loans such as Car Loans, Education Loans, Home Mortgage Loans, Home Improvement Loans, Personal Computer Loans, Personal Credit Line and Personal Instalment Loans. Personal Loan is commonly Straight Line Loan (SLL) but some banks have introduced Personal Credit Line[18] (PCN) or Personal Overdrafts. Local banks have also introduced a financial facility which is similar to the ones in the UK and the US i.e. the Home Equity Loan which let consumers use their home as collateral to acquire a different source of ready cash apart from the personal loan. However, personal loans remain the main cause of the high levels of indebtedness in Brunei.

Other possible sources of finance besides loans are mortgages. This includes Mobile Phone Financing which allows consumers to purchase their desired hand phones and Home Product Financing which enables the consumer to purchase other consumer durables including electrical goods and furniture. Another option available

[18] SLL is a fixed monthly repayment with variable terms while PCN is a revolving credit facility with a minimum of 2% repayment based on the outstanding balance (HSBC Brunei, 2005).

in Islamic banks particularly Bank Islam Brunei Darussalam (BIBD) is the *Ar Rahnu* Financing which is a Syariah-based pawn broking system that allows individuals to obtain financial facilities by using gold items and precious stones as collateral. Most commercial banks provide car loans or mortgages whereas Islamic banks offer mortgages for wider selection of consumer durable goods. It should be emphasised that in Brunei, just what financial services are available to consumers depends on where their income is credited. This means only consumers who have their monthly income paid into Islamic banks such as BIBD are eligible for those banks' loans and mortgage facilities, whilst those who have their monthly income in conventional banks have certain choices of mortgages or hire purchase services and may be dependent on their credit cards for more purchases and consumption.

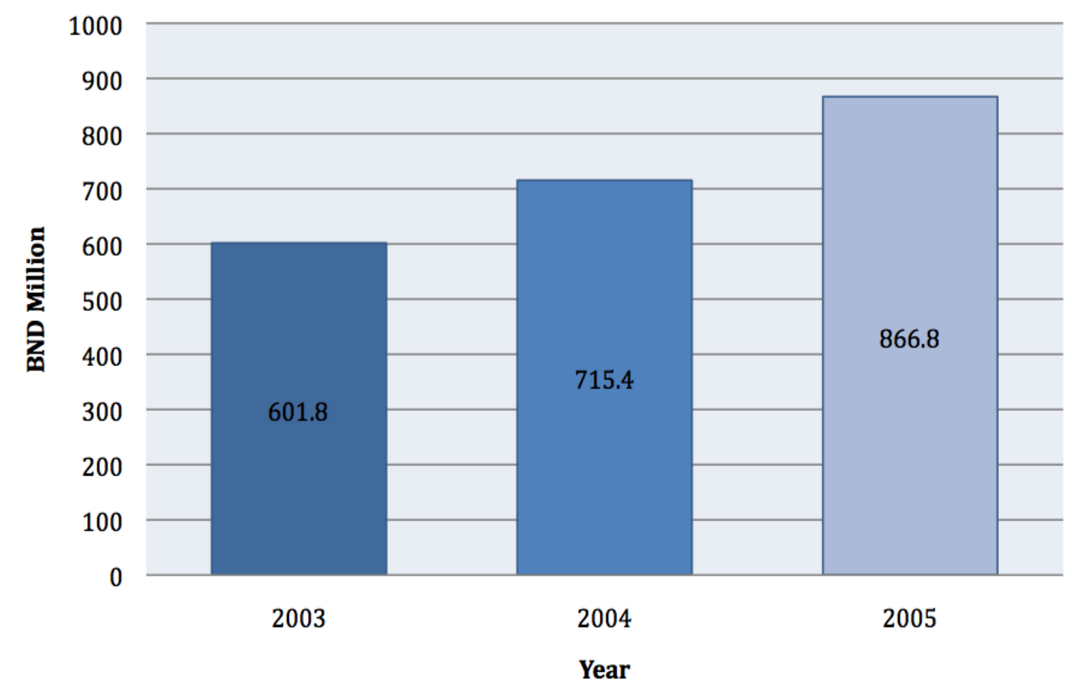
After the financial reform in 2005, Brunei's financial institutions underwent drastic changes particularly in access to finance. Banks made access to borrowing such as credit cards and mortgages easier as a reaction to capping of personal loans. As figure 4.3 shows, after 2005 personal loan debts have declined, almost a third from BND $3.71 billion in 2004 to BND $2.49 billion in 2008. Undeniably, the implementation of the MoF Directive has been successful in reducing the amounts of indebtedness through personal loan debts as was reported by the Deputy Director of the FID in 2008. However, reducing the amount people can borrow under personal loans does not mean that there has been a decrease in problems of indebtedness. Rather, some consumers and financial institutions reacted swiftly to find a way around the restrictions.

Additionally, figure 4.4 shows that mortgage rates increased nearly threefold between 2004 and September 2008 from BND$ 449 million to BND$1,168 million. This indicates a rapid reaction of both finance companies and consumers in dealing with the sudden shortage of available credit for consumption. All of the senior bank officers interviewed observed that despite the loan directive, the demand for personal loan remained high. The Senior Bank Officer 3 from BIBD stated that he approves more than 60 to 120 applications a week depending on the time of the year. During *Hari Raya,* applications for loans and mortgages tend to be two times higher than the average months.

It should be noted that past data on lending in Brunei was quite difficult to read and analyse without understanding the history of financing. This was mainly because of changes in governments' classification and reclassification of what fell under which category, such as personal loan or mortgages during their data collection, analysis and presentation of their annual statistics. For example in 2002, the slight dip in personal loan was a result of a reclassification of what constitutes a personal loan. Before 2002, personal loans included loans for home improvements, the purchase of motor vehicles, boats and equipment and land purchase (see Fiscal and Monetary Review, 2006). With this classification there was no mortgage data available but after 2002 governments reclassified lending. Mortgage as a category was made available which is different from personal loan and included car loans, home financing and loan and consumer durables. Figure 4.4 reflects the fact that mortgage data was only available from 2002 onwards, while figures 4.5 and 4.6 show steady increases in the two main types of non-housing mortgage in Brunei, especially for Motor Vehicles (figure 4.5). Additionally, as noted in section 4.3, page 87, banks were required to re-categorise their loans more carefully which could have had an impact on changing trends in lending.

Prior to the 2005 directive, consumers were able to purchase their cars as well as their consumer durables and luxuries using their personal loan. The increase in mortgage lending, particularly after 2005, is chiefly due to the directive. As a result, now consumers need to apply and access other forms of borrowing including mortgages to finance their needs and wants. This is shown clearly in figure 4.4. The need to apply for a separate mortgage to purchase cars has been the main reason for growth in mortgages. The caps on personal loans limit the amount Bruneians can borrow thus making it unlikely for Bruneians to purchase a brand new car using their personal loan. Hence, Bruneians would need to either wait or use instant access to money through a Motor Vehicle Mortgage. Figure 4.5 below shows that there was a 21.2% increase in Total Motor Vehicle Mortgages from 2004 (before the MoF directive) to 2005 (after its implementation). By 2008, according to the FID, the amount of Motor Vehicle Mortgages had rise to BND$1,189 million. This makes an average growth of Motor Vehicle Mortgages of about BND$100 million annually, an indication of a steady growth.

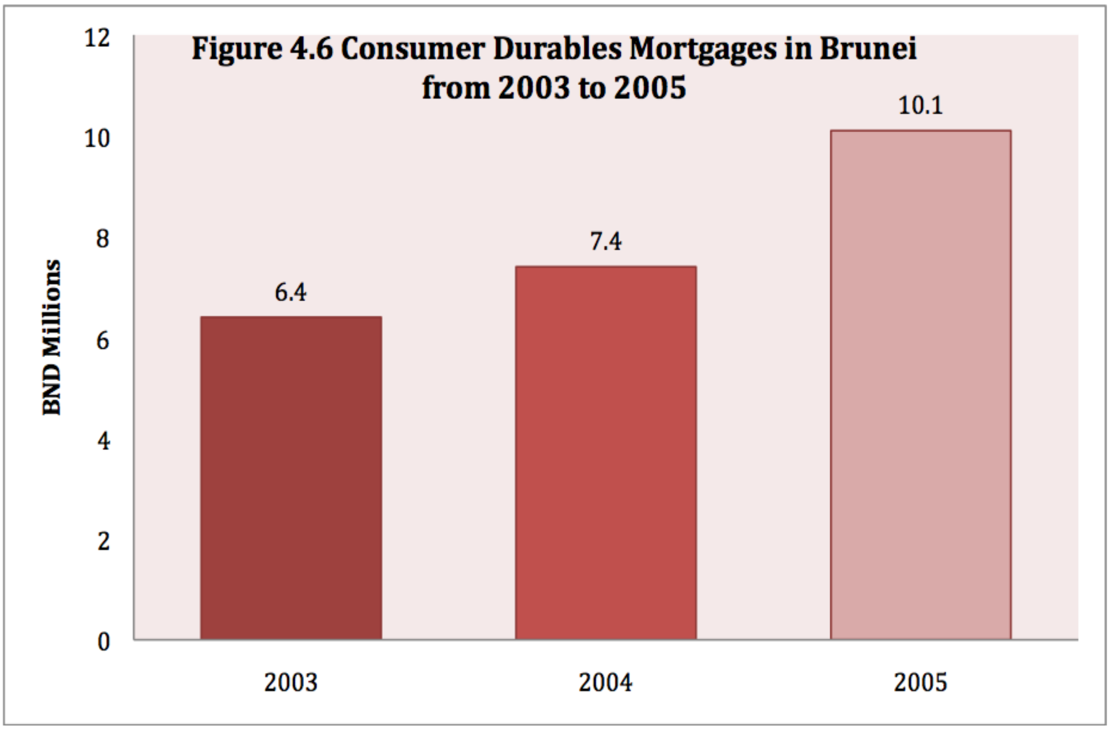
Figure 4.5 Motor Vehicle Mortgage in Brunei 2003 to 2005



Source: MoF, 2008

Motor Vehicle Mortgages remained the dominant type of mortgage with a total of BND$1,189.8 million in 2008 compared to Consumer Durable Mortgages, with only BND$42.6 million. Thus Motor Vehicle Mortgages took up nearly 97% of total mortgages in 2008[19] (refer also to fig 4.4 page 80). Like to Motor Vehicle Mortgages, levels of Consumer Durables Mortgages also increased from only BND$7.4million in 2004 to BND$10.1 million in 2005 marking a 26% increase (see fig 4.6 below). The FID reported in 2008 that the amount had jumped to BND $42.6 million. The average annual increase from 2006 to 2008 was about BND$10 million. This changing trend in accessing finances reflected people's constant dependency on borrowing to facilitate consumption and hence a need for monitoring and improving financial capability amongst consumers. Changing the economic or financial structure alone would be insufficient without understanding the social and cultural behavior and beliefs of consumers.

[19] There is no data on housing loans reported by FID.

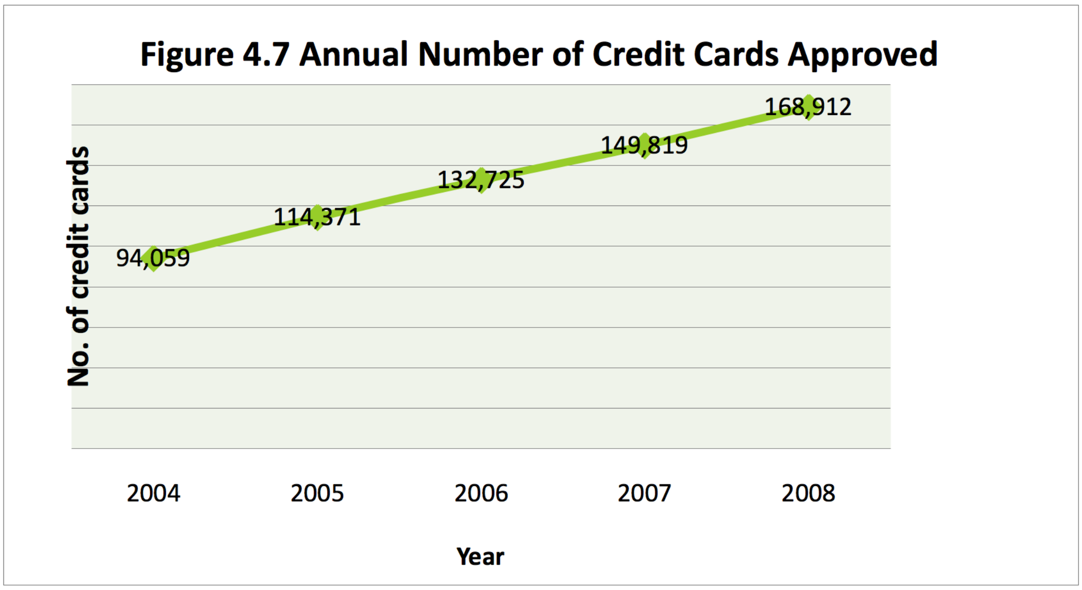


Source: MoF, 2008

Statistics from the MoF indicated that in 2008, the average household debt in Brunei was BND$100,000, while on average an individual (every man, woman and even child) had a debt of more than BND$13,000 (Hasib, 2008). Nevertheless, Hazair (2008) reported that financial experts were seeing a positive trend regarding personal financing in Brunei whereby Bruneians had become more finance savvy as governments try to reduce levels of indebtedness and improve levels of savings. As mentioned earlier, the bulk of personal loans applied for by younger consumers were spent on grand wedding and engagement preparations aside from a brand new car. These days weddings are more practical with young couples using their personal loans as well as saving part of their income for at least a year before the wedding ceremony to top up their capped personal loan (Hazair, 2008). Further examination of interviewees financing of their own weddings is discussed in chapter five.

4.4.2 Credit Cards

Another alternative mean for financing that banks and consumers have begun to explore is credit card services. The most common types of credit cards offered by banks in Brunei are Visa and MasterCard. According to Senior Bank Officer 1, credit card applications and limit approvals were stricter in the past compared to today. After the financial reform, rather than a decrease in credit card debt, there was actually an increase in credit card applications. As shown in figure 4.7 below, there were 114,371 credit cards approved in 2005 while 168,912 credit cards were approved in 2008. This indicated a growth of 48% within three years. If you compare this with the US, Langley (2008) reported that there are 158 million credit card holders, 650 million retail or store cards, 506 million bank cards, 185 million phone cards, 107 million gasoline cards, 41 million travel and entertainment cards including American Express and Diners Club and 66 million miscellaneous, airline and rental cards. Brunei on the other hand only offers credit cards from banks.



Source: FID, 2009

Statistics provided by the FID (2009) revealed that roll-on balances (ROBs) increased from BND$193 million in 2005 to BND$320 million in 2008, which was a growth of about 66%. The average increase in ROB per year after the directive was about BND $42 million. In addition, a credit card holder would have an average credit card debt of BND $1894 compared to 2004's average of BND $1701. This suggests banks and consumers reactions to the MoF Directive, that banks have become more lenient than they used to be in approving credit cards applications due to the need to capture mounting demand for credit and minimise the potential loss they may encounter from the restriction in personal loans (Oxford Business Group, 2008). From my interviews, I found that on average each consumer normally has one or two credit cards.

In interviews, some bank employees admitted feeling guilty after issuing credit cards to consumers who they identified as financially overstretched. Some consumers even use credit card accounts as a means of cash advances despite the high costs (Hasib, 2008). Hasib reported in the Borneo Bulletin that a local economist, Lim Kok Shien's observed that the old problem of misuse and over use of credit cards had resurfaced especially as some had multiple credit cards with high credit limits (2008). The report also explained how debts accumulated from credit cards could affect the consumer's retirement fund and that the bank's credit card lending and marketing had become too aggressive but consumers also needed to be blamed for getting themselves caught up in the financial mess.

Undoubtedly since 2005, banks have been forced to innovatively develop attractive financial products and marketing schemes to compete for a share in the already limited market. Like Anglo-American bank credit cards as discussed by Langley (2008) and Montgomerie (2009), Brunei banks also offer extra rewards when spending with merchants with whom banks are associated with such as department stores, restaurants and travel agents. US credit card issuers are engaged in a partnership with multinational companies through product benefit cards for example air miles give card users points for every dollar purchased as discussed by Montgomerie (2009). She argues that reward schemes aimed to encourage more widespread use of credit cards to increase revolving balance and boost credit card issuers and providers' profits. Soon, affinity card programmes were established to attract existing revolvers by marketing to consumers with different hobbies and interests (Montgomerie, 2009). Bruneians like US consumers, can redeem goods and services from banks, vouchers to shop at participating merchants or exchange their points for air miles for discounted or free travels abroad. Other privileges attached to Bruneians' credit cards include discount privileges depending on the bank's credit card tier. The higher the bank's credit card tier, the better the discount the card holder could acquire from the retail stores the bank is linked to. For example platinum card holders get 15% off of certain goods or services from some retail stores, gold card users get 10% while classic members get a 5% discount.

Conventional banks such as HSBC, SCB and Baiduri Bank have introduced and have begun to aggressively market "0% instalments" as part of their credit card facility. Depending on which bank, a consumer can buy goods that cost BND$500 or more in instalments. Consumers can choose to spread the instalment payments over a period of 6 to 24 months depending on the cost of the goods bought. This financial service, provided only by conventional banks, is deemed by Senior Bank Officer 3 to be a type of personal loan embedded in a credit card. He went on to say that this service could result in consumers being trapped in a vicious cycle of debt, mainly because it is revolving credit. This was so with the different kinds of financial charges imposed by conventional banks including interest rates of about 22-24% per annum, administration fees, annual fees and so on. BIDB's strategy to help reduce problems of indebtedness amongst Bruneians is to market their products using Islamic laws by offering Islamic credit cards which are free from any elements of usury or *Riba* prohibited in Islam. Credit card holders are charged an annual fee depending on the bank credit card tier as well as a monthly administrative fee of 1.5 percent of the total balance of the outstanding amount which was low in comparison to other credit cards available in Brunei (RTB News, 2005).

Although Islamic finance is cheaper when compared to conventional lending, Bruneians continue to borrow from conventional banks because of the facilities provided by the bank such as the 0% instalment programme (see sections 4.4.2 and 5. 3 in the next chapter). Bruneians believe conventional banks are widely accepted globally without worrying about whether the merchant is Syariah compliant which is part of the rule when using Islamic bank cards.

Access to credit cards is open to anyone with a monthly income of no less than BND$500. As noted earlier, unlike the UK and US, Brunei does not have a credit ratings system at the moment. Banks and financial institutions mainly rely on the consumer's wage slip and records of people who have been black listed from banks. Hence, during the period of my research, although the credit limit per person has been somewhat controlled as mentioned earlier, the number of credit cards that a person can apply for from different banks has not been restricted. This loophole allowed consumers to apply for more credit cards as substitution for any shortages of funds which consumers in the past had from high personal loan limits.

However, due to the low credit limit available to those with lower incomes, there is a high tendency for lower income groups to have their income credited into Islamic Banks. This is because of the access to mortgages and other kinds of financing which could help them consume and spend more using credit rather than being restricted to only a personal loan and the low credit limit of their credit cards. According to a few electronics and gadget store retailers, most of those who apply and pay for their consumer durables through hire purchase services from Islamic financial institutions tend to be those from lower income groups.

On the other hand, those with higher credit limits, who generally come from middle and higher income groups, usually use their 0% instalment programme from their credit cards because they have enough credit to purchase expensive items using their cards. According to Senior Officer 2 from a conventional bank:

> If someone from a lower income group were to purchase a hand phone[20] which costs $700 and spread the instalments over 12 months, this would mean that their credit card limit will be blocked according to the amount that has not been repaid. Hence, it would be better for someone from a lower income group to apply for financing for consumer durables through mortgages rather than using credit cards.

With proper management and financial capability, consumers could take full advantage of the perks and discounts offered by credit cards as is discussed in more detail in chapter five.

This section emphasises reactions and shifts in financial practices of financial institutions after the MoF 2005 directive. In general they maintain consumers' access to other sources of finances despite the restricted access to personal loans that had been imposed by the government. This acts as an intermediary which tries to ensure the social well being of consumers and to safeguard their future.

4.4.3 Loopholes and Leakages: Alternative Sources of Financing

Another response to the restriction on personal loans is the way in which several retailers provide instalment programmes for their consumers. During the period of my research, I found a store selling all sorts of gadgets, jewellery, kitchenware, computers, cameras, hand phones, lightings, washing machines, television, and other electrical goods. The purchase of these commodities could be done through instalments directly with the store rather than the bank. However, I could not get further data on how much interest they charge their consumers for paying in instalments. According to a Sales Person 2 from Easy Way, most of their consumers work in the government sector or must have a guarantor who works with the government. Sales Person 2 stated that:

> Especially after the loan directive, business has been declining with many banks now offering instalments too… it's getting very competitive now unlike before. But we do still get people coming

[20] This is better known as a mobile phone in the UK.

> here…as long as that person is not listed in the court's summons or sued list...it should be okay. Customers here are mainly government workers or some pensioners…we don't really accept applicants who work in the private sector unless they have someone working with the government as a guarantor.

To accommodate the growing number of spendthrift consumers, a jeweler has provided a rather flexible monthly instalment plan. Consumers of this store could either make an instalment through banks or their subsidiary companies or ask for instalment payments offered by the store themselves. The jewellery store representative (Sales Person 1) stated that they have young consumers purchasing their products using the store's hire purchase service, especially young consumers who are intending to get married:

> With the hire purchase service we offer to consumers especially those who are about to get married…they find it helpful because they can use their loans or credit cards for other wedding expenses like catering, wedding clothes or gifts. While they can buy their wedding jewellery using our hire purchase over a maximum of 6-12 months… we always try to have the payment done the month of the wedding… we do get a lot of young couples here because of the flexible payment scheme we offer.

Additionally, Sales Person 1 stated that young consumers are becoming smart and prudent, constantly monitoring gold prices to ensure they purchase when prices are lower. Hire purchase offered by this store only charge consumers the cost of the jewellery without any hike in prices or interest rates because of instalment payments.

Aside from using mortgages and credit cards as substitutions for the cap on personal loan, consumers have found other loopholes and ways to outsmarting financial institutions. Bank Worker 2, stated that although consumers can only apply for a loan at the bank where his/her salary was banked in, there have been instances where some cunning consumers keep on making salary transfers to other banks in order to apply for loans from banks which they have not any debt commitment with, even when they still have existing loans from the previous bank his/her salary is credited into. This practice, although unpopular amongst the informants interviewed, shows possible gaps in the system of financial regulation such as the lack of credit rating and scoring, as well as the lack of communication and monitoring between banks.

Riz who works with the army and whose responsibilities include issuing his subordinates' permission to obtain personal loans from banks notices that the amount of people approaching him for a loan approval usually increases drastically before the *Hari Raya* period. He also notices a form of credit leakage similar to that reported by Cook et al. (2010) and Smith and Searle (2006, 2008) but instead of home mortgage leakage, Bruneians use Consumer Durable Loans such as computer loans to obtain money they desperately need to spend during the *Hari Raya* for other consumer durables for themselves and their family, such as clothes and shoes. Instead of purchasing computers, they make an agreement with rogue businesses to have receipts indicating that they have purchased a laptop. Once they receive their cheque from the bank, the business gives an amount of money to the consumer without the computer. Moreover, Senior Bank Officer 3 who approves personal borrowing agrees that closer to *Hari Raya*, levels of borrowing increases. At the same time, he is amused by reasons consumers give in order to get a loan or mortgage from the bank, such as purchasing of hand phones for each of their children or the purchase of eleven air conditioners.

4.5 Continuous Regulation of Finance to Promote Consumer Financial Security

From interviews with all the FID officers and bank representatives, it is apparent that the government as the financial regulatory body tries to ensure a decline in personal overspending and indebtedness in Brunei. Despite the drastic changes in the financial structure which started from the MoF Directive in 2005, the Deputy Director of FID acknowledged the existence of loopholes created by banks and pursued by consumers to overcome problems of restricted access to finance. One of the schemes the FID has in the pipeline and hopes to create with the help of banks and other financial institutions is the credit ratings schemes and bureau. A stricter regulatory code through the creation of a credit agency would help regulate and identify high risk consumers and prevent these consumers from accessing lending. Despite the potential effect of credit scoring exploited by subprime lenders that occurred in the UK and US (Christophers, 2009; French et al., forthcoming; Langley, 2008; Lee et al., 2009), Brunei's case is unique and differs from the Anglo-American one mainly because of the absence of subprime lending practises in Brunei.

Brunei's Banking Order, for example, is aimed to support economic development by giving power to the MoF "to effectively supervise, inspect, promote good corporate governance and take care of public interest" (MoF, 2010). Most importantly, the Banking Order 2006 requires banks in Brunei to be adequately capitalised to meet any liabilities. Local banks must have a minimum of BND$100 million paid-up capital while foreign banks must have capital of B$1 billion in their head office and the Brunei head branch should have BND$30 million (Oxford Business Group, 2008, p. 27). Both local and foreign banks now have to publish their annual results, and the FID has the right to conduct on-site inspections of the banks in order to examine their risk assessment management seeing that most of bank's assets are in the form of loans provided to consumers (Oxford Business Group, 2008, p. 39).

Bruneians had been enjoying zero down payment purchases making car purchasing cheaper and easier. However, by the end of 2008 in line with ensuring prudent spending among Bruneians, the government through the MoF required customers of finance companies to pay a down payment on the car they want to purchase ("New Baiduri Finance", 2008). It is up to the banks to decide the minimum down payment based on risk management of automobile purchases.

Parallel to this, governments are also looking for better ways for Bruneians to use their money. The post-2005 financial reform saw the MoF urging banks to increase promotion of financial planning to consumers and especially to provide advise on productive choices to improve consumer money growth by inspiring them to save and invest their money (Mohamad, 2008). More recently, the government has been promoting savings and banks are sending their workers out for public outreach education about wealth building. TAP or ETF officers are continuously reminding consumers about TAP members being heavily indebted with personal loans, credit card debts and car loans making TAP funds insufficient for life after retirement after the repayment of debts ("Saving for", 2008). They further add that consumers' inability to control spending and their lack of planning ahead are potential problems for financial security in the future.

Further evidence of debt problems in Brunei was the thronging of thousands of people to the Ministry of Religious Affairs (MoRA) to get a slice of the undistributed *Zakat* or 'alms for the poor' of B$200 million in mid-January 2009.

This was after His Majesty the Sultan suggested that the balance should not be left idle and be distributed to the needy, particularly the poor and the '*Al-Gharimin',* according to Syariah Law these people with no source of income to clear their debts and are dependent on debts to finance their basic necessities (Hazair, 2009). Hazair reported in the Borneo Bulletin that amongst those who tried to apply for *Zakat* were middle aged government servants with high personal debts caused by to living beyond their means, who are unable to maintain their household and children's school expenditures, some with expensive vehicles, dressed quite well, with mobile phones and jewellery, signifying that they do have their own means to live. All of the bank officers and workers interviewed as well as the FID's Deputy Director identified the lower ranking uniformed personnel such as members of the police and army as tending to be among those who are heavily indebted and have difficulty repaying their debts.

After the introduction of the 2005 financial directive, banks have geared up and tried to be innovative in their savings and investment sectors and have moved away from loans as their main financial product. Financial institutions, as well as governments, have launched campaigns to promote and improve financial literacy among consumers. According to the Oxford Business Group (2008, p. 76) "…refocusing on investment and savings products will diversify banking portfolios away from a previously large single track – consumption". Promoting savings amongst Bruneians, particularly amongst young working consumers is an equally tedious task, not just for the government but also for banks. This is mainly because banks have been focused on promoting the lending products more than wealth growth financial products. Additionally, incentives to help increase motivations to save are quite minimal whereby interest rates are generally lower than those of the rest of the region due to regulatory and market pressure. The average fixed deposit interest rates has been minimal with only 1% from 2003 to 2005 (for a 3 month deposit), 1.2% (for 6 months) and 1.6% (for 12 months) while the average interest rate for savings was 1.126% in 2003 and was reduced to 0.873% by 2005 (MoF, 2005).

Generally, rates for deposits or savings are low at 0.05 to 0.1%. To overcome this problem, banks have come up with all sorts of programmes to improve people's attitudes towards savings. HSBC had a programme where for every BND$1000 saved for a period of time the consumer qualified for a chance to win more money. Similarly, Baiduri Finance came up with a multi-tier programme with interest rates that varied according to the time and amount deposited with a maximum interest rate of about 2.5%. Depositors stood the chance to win a lucky draw in the form of cash rewards with the grand prize of B$30,000. An attractive scheme developed by BIDB was the Wish Savings Scheme introduced in January 2010 whereby one lucky person became a millionaire. Throughout the nine months before the final, the financial wishes of 63 other depositors or savers also came true. The total value of this campaign's awards amounted to BND$2,020,000. Unlike from previous promotions, most banks had used lucky draws based on chance, while the Wish scheme chose its winners based on the merit of their wishes as stated during the application stage.

The savings scheme introduced by some banks reflected their commitment to promoting a saving culture among consumers while at the same time still promoting their credit and lending sectors. Prior to the 2005 directive, consumers were bombarded with aggressive marketing to use banks' financial products. After the directive banks show more responsibility and try to inform consumers about the choice of alternative ways in which they could use their money including saving through more attractive schemes developed with rewards. In terms of investments, Senior Bank Officer 2 from a conventional bank explained that banks make an effort to increase public awareness of financial management and of the investment opportunities available in banks. However, the response rate particularly from the young is very low. She stated that young consumers do not have sufficient capital to invest because most of their income is used for personal consumption. The main customers of investment schemes tend to be older consumers who have extra money to spare and invest. She added that priorities are different between the young and older consumers.

4.6 Conclusions

This chapter has shown the evolving financing trends in Brunei, mainly due to the financial reform implemented by the government. This highly regulated and orchestrated finance system conducted by the government is the main reason why varying levels of financialisation and finance culture have emerged in different geographies. Brunei does not resist financialisation, however it practices a more regulated financialisation process. Brunei's development of its financial system is distinctive and has somewhat shielded Bruneians from experiencing the major global financial problems mainly caused by subprime lending, as encountered in many societies which have fully embraced global financialisation with minimal regulation. The MoF Directive was a means of regulating and restricting consumers' financing from mainstream lending, however financial lenders reacted by making access to other forms of borrowing easier for consumers, (especially mortgage and credit cards).

The basic financial structure created by Bruneian banks is similar to that of financial institutions abroad with the presence of financial exclusion and inclusion: the middle and upper classes have greater access to financial products than do the lower income groups. This therefore forces lower income groups to look for alternatives, including mortgage lending where interest rates or financial charges are higher than the normal source of finance i.e. personal loans.

Although the financial directive has reduced access to personal loans, the underlying consumer culture of spendthrift materialism remains the same. This has prompted consumers to find loopholes in the financial regulations, causing overall borrowing for personal consumption to remain high. After 2005, middle income consumers interviewed in Brunei were keener on revolving personal loans than straight line loans to overcome the credit crunch imposed by the government. Despite this, a significant difference between Brunei and the Anglo-America is the highly regulated financial structure: subprime lending is not a norm in Brunei financial structure compared to Western countries where subprime mortgages are main cause of high indebtedness particularly in North American and Western European countries.

Financial behavior emerges from complex interactions between financial institutions, the state, intermediaries and individual choices. This chapter has shown that these interactions are strongly shaped by the state and its regulatory role, which in some ways tries to set the rules of the game. However, both financial firms and consumers do not receive these regulatory efforts passively. Instead they respond actively and constantly seek to escape from, and redirect the effects of, regulation. Hence, aside from structure, the importance of the different cultural and financial practices of societies in varying geographies plays a significant role in the economy (Braucher, 2005; Langley, 2008; Lee 2002; Lee et al., 2009; McDowell, 2010). In chapters five and six, the importance of cultural intermediaries, principally the role of family in influencing informants' access to and uses of finance is discussed.

Chapter 5

5. Financial Consumption Culture in Brunei

5.1 Introduction

The tightening of financial regulations in Brunei was a proactive choice taken by the Brunei government as a result of identifying the potential problems of Bruneians' high dependency on borrowing for high consumption, as well as to promote a savings culture for the financial security of Bruneians after retirement. In Chapter four I described how Brunei's heavily regulated and controlled financial structure by the Brunei government had certainly altered mainstream prime lending. However, the banks and Bruneians found loopholes to overcome the cap on personal loans, such as lenient and attractive credit card and mortgage products offered to consumers. Nevertheless, not all debt is problematic, it depends on how the borrowing is used and managed. For instance, Langley (2008) argues that there can be good debts which are used to pay for investments with returns, such as a home mortgage, while bad debts include credit card borrowing. In this chapter, my discussion shifts from examining the macro-level of financialisation and specifically studies the micro-level of individual consumers' reactions through their everyday financialisation and spending practices. Bruneians' decisions and opportunities to integrate to some degree into the financial circuit have been heavily influenced by their social and economic backgrounds. Here, I will demonstrate the importance of social and cultural intermediaries that shape the consumer finance culture in Brunei.

The majority of geographical studies of finance concentrate on global and structural changes, often concentrating on the supply side of financing and factors that influence supply (Christopher, 2009; French and Leyshon, 2004, 2008; French and Kneale, 2009; Lee, 2002; Lee et al., 2009; Leyshon and Thrift, 1997, 1998; Leyshon and Pollard, 1999). Lee et al. (2009) emphasise the importance of understanding and acknowledging the uneven financialisation process that can occur over space and time. This uneven development of finance is due to differences in consumers' accessibility to finance (French and Leyshon, 2004, 2008; Kempson and Whyley, 1999; Langley, 2008; Leyshon et al., 2004; Leyshon and Pollard, 1999) as well as the effects of intermediaries (du Gay et al., 1997) and in social relations including different regulatory and cultures practiced by societies across different spaces (Lee, 2002; Lee et al. 2009). Langley (2008) argues that financial access is less determined by spatial differences but by consumer income and choice play significant roles. Innovations in finance e.g. calculative tools and technologies overcome spatial barriers that affect consumers' access to finance, thus making consumer financial capability and attributes, especially income and occupation, important factors which influence the consumers' financial inclusion and exclusion (Langley, 2008). Consumer attributes also influence the interest rates charged e.g. subprime groups face high interest rates while mainstream prime lending is characterised by lower rates (Kempson and Whyley, 1999; Langley, 2008).

Nevertheless, access is not entirely determined by financial institutions, in fact, consumers also have the liberty to either self exclude or buy the various financial products supplied to them (Kempson and Whyley, 1999; Langley, 2008). Additionally, intermediaries including government regulations and social relations, particularly the family, play significant roles in shaping financial circuits in society and place (du Gay et al., 1997). Similarly, Langley (2008) believes that rather than separating finance from society, as is often done by scholars in the social sciences, including geography, understanding transformations in everyday spaces, practices and identities is equally important in understanding the financial circuit and consumers' relations to it.

Chapter four demonstrated how the supply of and access to finance, especially credit, can be influenced by intermediaries particularly national governments. Due to the continuing demand for credit from Bruneian consumers, financial institutions found loopholes by enabling and emphasising greater access via substitute lending products, particularly credit cards and consumer durable loans/mortgages. Hence, we need to closely examine consumers' social relations, practices and culture as these drive financial consumption. Much of my discussion in this chapter draws upon my interviews with working consumers in Brunei. These interviews demonstrate the importance of understanding the culture of financing in Brunei as it differs from that of other geographies including Anglo-American societies particularly in the UK and US. Firstly an overview of consumers' access to finance and their spending culture is provided. Secondly, I discuss intermediaries (du Gay et al., 1997) that influence consumers' access to finance and use. In this chapter, I will show the link between Bruneians' evolving finance culture and their consumption patterns. I will also demonstrate the different financial consumption cultures or sets of practises in Anglo-American societies on the one hand and Brunei on the other.

5.2 Monitoring Finances

In my interviews the Bruneians' access to finance and spending culture were examined. I found that aside from consumers' income and borrowing from formal financial institutions, social and cultural institutions are also sources of borrowing for them. Furthermore, access to money in Brunei particularly from formal institutions may not be as diverse or complex as it is in Anglo-American societies as described by scholars such as Christophers (2009); Cook et al. (2009); Langley (2008) and Lee (2009). In chapter two, I highlighted Kempson and Whyley (1999) and Langley's (2008) theory of the importance of financial exclusion and inclusion or access. One of the reasons for the differences in financial access between Brunei's and the Anglo-American societies is the highly regulated financial system and structure constructed by the Brunei government which acts as an intermediary influencing consumer financial culture. Anglo-America have a more neo-liberal financial system and underwent democratisation of financial practices (Langley, 2008). The reform in finance in 2005, which introduced a personal loan cap by the Brunei government, has transformed consumer finances with financial institutions and consumers searching for loopholes to overcome the shortage of funding. This section therefore examines consumers' access to formal lending and their finance culture.

5.2.1 Keeping Track of Everyday Finances

Formally, Bruneian's access to money is often from their monthly income and mainstream lending particularly by banks. After asking Bruneians interviewed to describe their financial access and spending, it is interesting to find that they do not remember even to list some of their basic everyday consumption items such as car fuel. As stated in section 2.5.2, everyday consumption is a more suitable term to use in the Bruneian context because terms used by Western sociologists and anthropologists may not always fit with Brunei's consumption and spending culture as they have conflicting or multiple meanings for terms like "conspicuous consumption" and "inconspicuous consumption" (see Douglas and Isherwood, 1996; Jayne, 2006; O'Guinn and Faber, 1989; Smith, 2007; Sullivan and Gershuny, 2004). Bruneians interviewed keep track of debt repayments and savings that involve larger sums of money but struggle slightly when recalling smaller amounts of cash spending[21].

Additionally, all of the consumers interviewed often mentally calculate or ear mark their monthly income needed to pay for monthly bills particularly debts, utility bills and household contributions. The Bruneians interviewed do not calculate and set aside a budget for monthly comforts or impulsive spending such as entertainment and dinners out with friends:

> I don't have a budget system. I mean I know how much I have to pay for the bills and the maid's salary but other than the monthly bills…I don't really manage my money as well as I should. Most times after paying for the monthly bills I don't know what happens to the rest of my income. I think it's because when you withdraw money in small amounts like $20 per time…you think its okay it's just 20 bucks…but then if you withdraw frequently say thrice a week than if you total up everything…it's actually a lot of money. Because you take it for granted and don't take note on your spending…eventually you forget what you have but because the sum just isn't significant enough for you to remember. Like paying for meals using cash, petrol...movie tickets or DVDs, snacks including sweets and mints and especially cigarettes.
>
> (Bal, 31, Professional)

Similarly, impulsive spending, including on shoes, clothes, movie DVDs and music are difficult to keep track of and are not included in the consumers' monthly spending budgets even though being able to keep track of finances and planning through a budget system are important domains for better financial capability leading to financial security (Atkinson et al., 2007). Additionally, about three-quarters of consumers interviewed do not calculate the monthly balances of their income after deducting their expenditures:

> I am not sure how much I have left after paying for everything. Any remaining money is usually left in my current account. I don't pay much attention to my current account unless the amount has dipped and it is nearing the end of the month… I have no proper budget system… it's all in my mind. I remember what I have to pay monthly …no need to write anything down. After paying for my bills, and putting money into my savings, I don't really know what happens to it you know… I just take money out from the ATM when my purse is empty…usually about $20 unless I know I want to get something expensive then I will take out more, especially during the weekends. Weekends I usually go out for movies…dining out…drinks with friends. I don't keep track of these kinds of leisure expenses.
>
> (Nurul, 26, Teacher)

Often any balance after paying for bills such as utilities and debt repayments, savings as well as household contributions are spent on comforts and luxuries

[21] This often includes anything below BND$50 such as petrol, dine outs especially for lunch, hand phone top-ups, purchase of DVDs and cds, magazines and snacks.

including entertainment, dinners out and cigarettes. In comparison with Atkinson et al.'s (2007) findings in the UK, findings from the Bruneians interviewed show that their only means of keeping track of their finances is to check their bank statements from their credit and debit cards. Based on my findings, cash budgeting and keeping track of cash payments and expenditures are not most Bruneians' forte.

Nevertheless, the majority of Brunei consumers interviewed emphasise that paying their monthly bills and household contributions remain their priority. For Pg (34, Public Works Officer), most of his income is left to his wife to manage, to spend on the household expenses after deducting his debt repayments. Pg's dependency on his spouse to manage his finances reflects the fact that family relationships and influence are a significant aspect of Bruneians' finance culture[22]. Meanwhile, the few Bruneians who cannot make ends meet every end of month are also heavily dependent on their revolving credit especially credit cards. After their credit cards have been exhausted they try accessing other sources of borrowing especially family and relatives, or they default on payments of some of their monthly bills such as their hand phone or car instalment bills or they make only partial repayments of their monthly car loan instalments[23].

Such shortages often happen a month before, during and after festive seasons, particularly *Eid-ul Fitr*. Here, again culture and social practices play a vital role in influencing consumer finance culture and consumption as is shown in Section 5.5.2 below. More often, those interviewed who have difficulty making ends meet are single parents and/or sole breadwinners in the household. These findings support Atkinson et al.'s (2007) study of UK financial capability. Unlike that study which found that younger UK working consumers find it difficult to make ends meet, a majority of Bruneians interviewed do not have similar problems. This is largely due to mainstream prime borrowing in Brunei, family financial support including living at parents' houses as well as sharing monthly household expenses including utilities, the Internet and groceries with other working members in the family.

This section has highlighted how certain aspects of consumer financial culture, such as financial management and budgeting habits, vary geographically.

[22] The importance of family as a cultural intermediary (du Gay et al., 1997) is revealed further throughout this chapter especially in section 5.5.2.
[23] These consumers usually only pay the minimum repayment amount of their personal loan and credit cards, see in section 5.3.1.

Findings from interviews with Bruneians also show some similarity with Anglo-Americans in terms of monitoring and keeping track of finances through bank statements. One difference between the two societies is that Bruneians have savings in the form of forced savings introduced by the government, despite a lack of financial management, i.e. budgeting and keeping track. Moreover, family relations play a crucial role in consumer finances in Brunei where most unmarried consumers still live with their parents and share the household expenses. Hence, the notion that cultural intermediaries (du Gay et al., 1997) and consumers' social relations (Lee, 2002) shape consumer financial practises seems valid for Brunei. This is a factor that some Anglo-American scholars believe is lacking in many financial studies (See Langley, 2008; Lee et al., 2009; Pike and Pollard, 2010).

5.2.2 Monthly Income Distribution

This section begins by identifying Bruneians' financial spending culture, particularly the flow of their monthly income or cash, thus providing a brief picture of Bruneians' financial access. Findings suggest that half of the consumers interviewed use between 20-40% of their income to pay for cash expenditures. Aside from debt repayments (which are discussed in more detail below) the next largest cash expenditure items for interviewees are monthly monetary gifts and contributions to the family, especially parents. The majority of consumers interviewed give between BND$300-500 to their parents monthly. Only a handful of Bruneian interviewees give about BND$600-700 to their parents. The main reason for providing monthly money to parents is to ease the burden of household expenses:

> Every month I give my parents money for them to spend on whatever they need especially for the house. They did not ask for it, I guess it is my duty to give them back something in return after many years of living with and being cared for by them. Plus religion tells us to be thankful and appreciate them. At the end of the year, when I receive my bonus, I give my parents extra…usually I give them $400 rather than the $200 I give them monthly. This is because I have the extra money to share with them plus I suspect they have many things to pay like my siblings' school stuff like school uniforms and books or even stationery. Also it's for them to go out with my siblings to enjoy and have a good meal or something.
>
> (Sina, 21, Lower Ranking Police)

Providing cash monthly to parents for their own expenses is not the only contribution consumers make to the home. Some consumers give money to parents and specifically allocate money to be spent for the home such as groceries or sharing of utility bills as well as the Internet:

> The $500 is for them to use, I don't really ask what they spend [it] on. The bulk goes to my mother's own spending. I pay for the household expenditure using my own money…mostly using my credit cards.
>
> (Dina, 35, Teacher and Part Time Insurance Manager)

For Dina, although she is single, she became the sole breadwinner of her household after her father passed away. Dependents in her household include her mother who is self-employed, her sister and her sister's family who are also staying with her. She mentioned that her sister's family was going through some financial difficulties[24] and sometimes borrowed money from her to pay for their children's tuition fees. Dina's contribution to her family, especially her mother, does not stop at providing basic necessities but also extends to comforts including her parents' car loans[25]. She is thankful that she has her second job to maintain her and her family's lifestyle.

Many of the Bruneians interviewed share the home expenses with the rest of the family. Sharing of home expenses could be between the consumers and their working parents and/or with their working sibling unless the sibling is going through some financial difficulties:

> We (my brothers and I) make sure that the amounts [sic] we pay are the same. …There are 3 of us staying with my mom. …Everybody is working except of course for mom. The younger brother is in charge of paying the utilities. I am in charge of paying for the maid's salary. My older brother… he pays for the groceries sometimes. Or sometimes I pay for groceries when I am out with mom. Sometimes mom pays for them, using the money I give her monthly.
>
> (Madi, 32, Professional)

Some consumers give money to their parents monthly and would let their parents decide what to do with the money. These consumers often give a larger sum for parents to manage payments for the household and for their parents' own needs and comforts too. Often they do not specify verbally to their parents what to do with the money given:

> The $800 monthly includes money for my grandfather, my parents and $200 which my mom can use to pay for whatever that needs to be paid for in the household.
>
> (Aybe, 25, Assistant Bank Manager)

In Aybe's case, her monthly contribution does not stop at those living in her household. She extends her earnings to her grandfather who lives in a separate house. In fact, due to social and cultural practices, it is normal to hear that those with living grandparents give money to them if not monthly at least once a while. For Aybe as

[24] Dina's brother-in-law's business went bankrupt.
[25] (see Section 5.4.2)

well as some consumers such as Abdul, Alai, Umi and Zanah, part of their contribution to the family includes giving money to those outside their household such as grandparents, unemployed siblings or nieces and nephews. This reflects how the spaces of consumer spending for family go beyond the home in Brunei.

In addition to expenses for the family, consumers pay cash for some of their personal expenditure including monthly bills, e.g. hand phone bills or top-ups, petrol, clothes[26] to luxuries such as dine outs, movies, facials, gym membership, purchasing of movie DVDs, song CDs and snacks. Payment using cash was prominent for these items because the providers of these items (petrol stations, tailors, tuck shops, stores selling hand phone top-ups, movies and music) rarely accept payments by credit card. The other more decisive factor for cash payment is the cost of the goods or services:

> If something is less than 150…I'll use cash to pay for the item…but if it's more than that…I'll use my credit card…I don't carry large amounts of money in my bag. Food….I usually pay by cash…I mean the food court does not offer credit facilities do they…
>
> (Yuni, 24, Nutritionist)

Like Yuni, many consumers in Brunei often use cash to pay for food unless it involves a large sum such as treating friends and family to a meal at a fancy restaurant. If the meal costs a few hundred dollars they pay using their credit card. However, two female middle income consumers preferred paying for food whether cooked food or grocery using cash mainly because they feel better knowing that the food that they eat has been paid for and not a debt added to their monthly credit balance. They believe that paying for food using credit cards was like eating something which you have not paid for. One compared it with drinking alcohol:

> It's like we're not allowed to drink alcohol right…and if we drink it then it'll be in our system for 40 days and within that 40 days we won't be able to pray so it's like that …if you owe something to someone…you don't own the thing until after you've paid for it, no? It's just my belief…my perception...my conscience.
>
> (Umi, 29, Legal Enforcement Officer)

Although Brunei bankers interviewed argue that using cash is more expensive than using credit cards, certain merchants impose a minimum purchase price of BND$20 per transaction to accept credit card payments or only accept cash for certain commodities or services. My findings here differ from Langley's (2008) assertion that Anglo-Americans have close relationships with credit networks

[26] This is mainly the tailoring of working clothes for women

through technological innovations, such as the installation of vast authorisation and payment systems terminals in many retail merchant tills and cash registers. Langley (2008) affirms that calculative tools and innovations in technology have enabled consumers to make credit and debit card transactions and inevitably increase sales volume. He adds that cash carried in a wallet or purse often places a ceiling on the value of possible purchases.

This section therefore shows the variation in financial habits due to the technologies available as well as geographical differences. Bruneians interviewed either choose voluntarily to exclude themselves from using credit cards for certain commodities because of their beliefs and/or the cost of the commodity. Or because merchants are not equipped with the financial technology or purposely setting a minimum purchase amount allowed for credit card payment. Unlike issues regarding financial access based on neighbourhood or intra-urban location as in the UK (see French and Leyshon, 2004) or the "red lining" in the US (see Harvey and Chatterje, 1974, p. 25), consumers' access to finances based on address is not an issue in Brunei.

Other spending which takes up a large proportion of consumers' monthly income is their monthly debt repayments. Table 5.1 shows the amount Bruneian informants spend on debt repayment monthly. The majority of Bruneians spend more than 36% of their income to service their monthly debt repayments including credit cards, loans and mortgage payments. A banker interviewed recommends that monthly debts should not exceed 36% of monthly income of consumers for debts.

Table 5.1 Brunei Consumer Indebtedness

% of monthly income spent on debt repayment	No. of consumers
0	6
< 36	34
> 36	48

The 6 Brunei informants with no debts to formal institutions have either been excluded (4) or have purposely excluded themselves from borrowing from banks (2) which support Kempson and Whyley's (1999) and Langley's (2008) assertions on different kinds of financial exclusions present today. The majority of those who fall in this category are low income consumers with unstable job prospects who are

excluded from borrowing. Moreover, these consumers admit to having dormant savings accounts and often ignore financial trends including the MoF Directive. They believe it is irrelevant to them as they use cash. The other two who fall under this category are graduates who have just started working in their permanent middle income jobs but have deliberately excluded themselves from any form of borrowing for the moment.

Young consumers are seen as a profitable target group by the banks because of their increasing personal income and high expenditure (Johnson and Sherraden, 2007; Lechance and Bernier, 2004). Nevertheless, the two young middle income Bruneians prefer to exclude themselves and limit their access to borrowing. They assert that this is their way of managing their finances and controlling their spending, an aspect of one of the domains of financial capability (Atkinson et al., 2007). Their mode of spending conforms with Kempson and Whyley's (1999) finding that consumers particularly from lower income groups prefer to exclude themselves from financial lending because they prefer managing, controlling and monitoring their everyday expenses themselves. This is mainly because consumers could physically see cash decreasing, compared to using debit cards and credit cards. Yet, the majority of Bruneians interviewed find it difficult to keep track of or recall cash spending, as shown previously in section 5.2.1. Debts accumulated by the majority of Bruneians come from formal prime lenders. About a third of consumers borrow from informal sources such as the family. The majority of Bruneians interviewed spend more than 36% of their income to service monthly debts with personal loan repayments, making up the largest proportion. Informants who borrow after 2005 with debt repayments of more than 36% of their income are paying for car loans and credit cards.

Table 5.2 below shows forms of borrowing of the informants' access or use. Credit cards are the most popular form of lending, followed by car loans and then the personal loans. My findings show that borrowings by Bruneians before 2005 mainly fall into two kinds of products: personal loans and loans via credit cards from banks. Similarly, the majority of informants with borrowing made after 2005 have also applied for credit cards and car loans which are the much preferred types of lending compared to personal loans. This trend reinforces government financial statistics and trends emphasised in chapter four where there has been a general financial culture shift after the MoF Directive 2005. The majority of Bruneians interviewed only have both credit cards and car loans (classified as car mortgages in Brunei) simultaneously. Only a third of those interviewed have credit cards, car mortgages and personal loans.

Table 5.2 Popular forms of Borrowing amongst Brunei Informants

Lending type	Personal Loan	Car Loan	House Loan	Consumer durables loan / instalments	Credit Card	
No. of consumers	36	51	4	2	Prime User	Supplementary User
					78	4

Managing one's finances by selecting the right kind of financial product indicates financial capability (Atkinson et al. (2007). However, being able to select the right financial products depends on what types of finances consumers have access to or are excluded from. Table 5.3 below shows a summary of different financial and consumption culture over different geographies in particular Anglo-America and Brunei. I appreciate that Western consumer culture is not monolithic, e.g. ethical consumption trends and even anti-consumerist movements, but for this study, I broadly refer to what I consider to be a dominant trend i.e. individualistic consumption as Western consumer culture. In this research I focus on issues relating to collectivism and individualism because consumers and institutions in Brunei often highlight these as the main motivators of consumption and borrowing. Factors listed in table 5.3 in the Financialisation and Consumption columns are highlighted in chapters four and will be further discussed in this chapter. Table 5.3 also shows the clear distinct cultural and consumption practices of the different societies which will be explained in greater detail in chapter six.

Table 5.3 Financialisation and Consumption Culture in different Geographies.

Society	Financialisation	Consumption
Western Countries	**Liberalised** Subprime borrowing Free credit High levels of Mortgage loans and credit card use	**New Consumerism** Hedonistic and Individualistic Highly materialistic Keeping up with trends & super-rich "keeping up with the Gateses"
Brunei	**Regulated** Islamic values & government as mechanisms controlling finances Mainstream borrowing High levels of Personal loan and credit card use	**Old Consumerism**: Conforming and importance of family and social group "keeping up with the Joneses" Collectivism Tradition e.g. wedding and Eidul Fitr + **New Consumerism** Similar to Anglo Saxon

From table 5.3 it is clear that in Anglo-America, financial access can be hindered by the decisions of financial institutions' based upon factors which make up consumers' socio-economic background, such as income and education (Kempson and Whyley, 1999; Langley, 2008). However, in Brunei, the government plays a fundamental role in influencing levels of financial access. There are obvious differences between consumer spending and access to finance in Brunei and in other geographies, as described by many Anglo-American social scholars such as Christophers, (2009); French and Leyshon (2004; 2008); French et al., (forthcoming); Langley (2008); Lee (2009); Pike and Pollard (2010) and Smith and Searle (2006). These are summarised in table 5.3, and discussed further in the following sections and the next chapter.

The consumption of financial services in the UK and US can either be voluntary or involuntary (French et al., forthcoming; Kempson and Whyley, 1999; Langley, 2008; Lee et al., 2009; Pike and Pollard, 2010)[27]. In the case of the

[27] Previously, access was mainly based on spatial differences (French and Leyshon, 2004, 2008; Leyshon and Pollard, 1999; Leyshon et al., 2004) where for example disadvantaged neighbourhoods

Bruneians interviewed, the majority of those who are financially excluded by financial institutions are in this position due to their employment and income level. However, as previously mentioned, some informants have opted to voluntarily exclude themselves from fully integrating into or accessing the financial circuit or network. Sections 5.3 and 5.4 deal with the financial products consumers have access to which have a major impact on their everyday lifestyle and consumption.

5.3 Access to Credit Cards

The expansion of finance into consumers' everyday lives has also resulted in a shift from thrift to spendthrift behaviour (Burton et al., 2004; Christophers, 2009; French et al., forthcoming; Langley, 2008; Lee et al., 2009; Leyshon et al., 2004Montgomerie, 2009). Any analysis of financialisation needs to look beyond the direct relationship between the suppliers of finance and the consumer demand (Lee, 2002). My interview findings suggest that the Bruneians' relationship with suppliers of finance, particularly formal financial institutions, differ from those argued Anglo-American scholars because of social relations and intermediaries that influence the informants. As argued in chapter four, cultural intermediaries (du Gay et al., 1997) affect individual consumption, including that of financial products supplied by financial lenders. These cultural intermediaries described by du Gay et al. (1997) are quite similar to those described by Langley (2008), being middle agents that shape finance culture. Intermediaries discussed by Langley (2008) are those that affect the suppliers of finance. On the other hand, the cultural intermediaries I refer to are social agents that shape both suppliers and consumers' decisions and demand for finances as well as consumption. A clear example has been the Brunei Government's intervention through the MoF directive that affects both the providers and the consumers of finance.

A consumer's relationship with the financial market and their financial consumption culture depends on their access to financial products or services. Section 5.2 discusses Bruneians monthly cash spending from their income and also their monthly debt repayments and their access to finance. This section focuses on consumer access to credit cards and how their use can vary. Bruneians borrow from prime lenders, and are charged between 20 to 24% per annum. These rates are not as

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such as lower income or poor neighbourhoods were not provided with financial institutions such as banks extreme as those offered by sub-prime lenders in Anglo-American countries where interest rates vary depending on a consumer's risk factor (Christophers, 2009; Langley, 2008; Lee et al., 2009; Montgomerie, 2009). On average, US consumers had approximately seven credit cards per consumer in 1989 and this increased to 9 credit cards per consumer by 1999 (Langley, 2008) ranging from bank cards to store cards and affinity cards (Langley, 2008; Maning, 2000; Montgomerie, 2009). In contrast, the majority of Bruneians interviewed have two credit cards from two different banks. These consumers are predominantly middle income consumers with a monthly salary of BND$2600-$5000.

As illustrated in table 5.2, six informants do not have a credit card. Most of them have been excluded from accessing credit lending in Brunei because they earn below BND $500 monthly. Then there are a minority of two who exclude themselves voluntarily because they have experienced the hardship of repaying their card obligations and/or are recently employed middle income consumers. Three informants earning middle income have supplementary credit cards with a parent or sibling as the main card holder who also have middle incomes. Interestingly, one lower income informant has five credit cards from three different banks; Dipa's is going through financial hardship and depends on credit cards offered by banks for his and his family's survival[28].

5.3.1 Characteristics of Credit Card Users and their Repayment Scheme

Like Anglo-Americans, credit card use has been embedded into the everyday lifestyle of Bruneians. Two-thirds of Americans are credit revolvers who do not usually repay their monthly outstanding credit card debts in full (Langley, 2008; Ritzer, 1995). Credit revolvers according to Langley (2008, p.188) are responsible borrowers who regularly use revolving credit facilities and manipulate their outstanding balances and express their freedom. Out of the total number of Bruneians interviewed using credit cards, less than one-eighth of consumers are convenience users and the remaining majority are revolvers[29]. From interviews, it is apparent that the main reason for convenience users to pay in full is to avoid any finance charges. Like the majority of credit revolvers, Bruneian convenience card users also enjoy

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[28] Dipa is the sole breadwinner in his household consisting of himself, his wife and child. He earns less than BND$2000 monthly and depends on his 5 credit cards for the everyday livelihood of him and his small family. See also section 5.3.2.

[29] See Burton et al. (2004) and Langley (2008) on different types of credit users.

taking advantage of the reward point system offered by credit cards from banks. Bruneian credit card revolvers justify their dependency on credit cards in similar terms to Anglo-Americans, that it enables them to spend without needing to save (Langley, 2008).

I found that Bruneian convenience credit users interviewed often come from affluent family backgrounds and have less financial commitment in terms of personal debts and contribution to household. These consumers earn a monthly salary of BND$2800 and above and have large monthly savings or a lump sum already saved. They are thrifty, rarely impulsive spenders and often spend on high street names for fashion. When it comes to cars and gadgets such as hand phones, cameras and notebooks, they preferred high end brands such as BMW or VW and Sony.

On the other hand, the majority of informants who are revolvers have monthly earnings between BND$1000-$4100. Bruneian revolvers are either in need of money to pay for their family's livelihood similar to "defensive consumption" as described by Montgomerie (2009) and Schor (2002) and/or for spending related to "conspicuous consumption" (Veblen, 2000). Chapter six elaborates more on the issues of materialism and commodity consumption culture in Brunei as funded by credit and consumer income. One third of the revolvers interviewed pay a minimum credit card repayment of 3% monthly which means they are only paying off 1% of their credit card use after deducting the 2% monthly interest rate. As a result Bruneian informants are similar to many Western consumers extending their commitment and obligation to repaying their credit card debts (Langley, 2008). Credit card suppliers therefore charge interests and other financial charges to the consumers' because of their unpaid balance (Langley, 2008). However, the main difference is Bruneians are not charged excessive high financial charges as consumers in the US and the UK are, especially with subprime lending (Langley, 2008).

According to the credit revolvers interviewed, their spending using credit cards vary over the year. Spending using credit cards are higher during festive seasons especially *Eid-ul Fitr* and when Bruneians are abroad for their annual holiday with friends or family. These social cultural practices of Bruneian consumers are important factors that affect their financial culture especially credit use and materialism. When Bruneians reduce or repay their credit card debts a few months before the next holiday or festive season, they then use the available credit again during the new holiday or festive season. This thus becomes a repetitive cycle.

Langley (2008) argues that US financial institutions regard revolvers and credit surfers as profitable consumers because they can charge them interest and late charges monthly on unpaid balances. This is also true for the majority of Bruneian informants, as banks often increase the informants' credit card limits annually, including even revolvers who have maxed their credit cards:

> I don't like the fact that they keep on increasing my credit limit annually without telling me! Most times I don't realise that I have spent more than what I should. At first, my credit limit was $6000, which I reduced to $4000...but then...it has gone up to $7200 now!! I guess it's because of my annual salary increasement so that's why they increase my credit limit...but I just don't like it when they don't ask my permission...but I don't mind the increase in limit though.
>
> (Mat, 27, Law Enforcement Officer)

However, all of the informants who notice and complain about the credit limit increase have not successfully dealt with the perceived problem. This is because they find it a hassle that banks do not accept stopping the credit limit increase over the phone and consumers claim to be too busy to go to the banks to make the changes. Inevitably, many of the revolvers who complain about the increase end up using the extra credit eventually. Langley (2008) believes that revolving credit strengthens revolvers' relationship with the financial market. In Brunei however, as we have seen, the consumers' relationship with the financial market or network is closely monitored and regulated by the government. The government acts as a filter that tries to minimise and control the problems or exploitation of global financial market including sub-prime lending, and securitisation.

5.3.2 Credit Card Use and Consumption

The shift in everyday borrowing culture has led to several discussions on what drives consumers to borrow money. Ritzer (1996), Manning (2000) and Schor (1998, 2002) argue that an increase in materialism and consumerism has resulted in a greater demand for credit and borrowing facilities. Credit helps consumers to achieve a certain lifestyle that they have aspire to, which often involves superior status and prestige (Schor, 1998, 2002). Langley (2008) on the other hand argues that growing demand in credit and loans does not always lead to spendthrift behaviour and that it can allow consumers to better manage their finances to repay their already extended obligations with the banks, and can result in consumer prudence. Montgomerie (2009) on the other hand asserts that as consumers are given greater access to credit, they are more likely to overspend and become revolvers, especially due to "defensive consumption" where credit cards become "plastic safety nets". According to Schor (1998) credit helps consumers achieve a desired lifestyle and prestige.

A quarter of Bruneian informants use credit cards for their monthly survival or what Montgomerie (2009) calls social support. This is particularly so for consumers who are the main or sole breadwinners of the household such as Dipa, Kamal, Pg and Bal. Dipa, for example is married with one child, earns a low monthly income and depends greatly on his five credit cards as a huge portion of his monthly income is deducted to pay for his personal loan. His personal loan is used to pay for his and his family's daily needs when his child was sent to Singapore by the government for medical treatment. Dipa is a credit revolver and uses all his credit cards to pay for his family's monthly needs such as groceries, car repairs on his old second hand car, utilities and so on. Dipa explains that his luxuries mainly include eating out with his family. For many of the Bruneians interviewed, credit cards are increasingly becoming a safety net as well as being used to purchase comforts and luxuries, especially after the loan directive was implemented. Bourdieu (1984), du Gay et al. (1997) and Sassatelli (2005) argue that different societies practicing different cultures and norms often have distinct definitions of "necessity" and "luxury". During my interviews with consumers, they gave diverse definitions of "necessity" and "luxury" depending on the income level and family background. These terms are discussed further in chapter six.

Recently employed informants applied for credit cards before other loans and immediately spend their credit on comforts and luxuries such as extra working clothes, gadgets such as ipods or replacing their old phones or notebooks with up-to-date expensive high end ones. Another use of credit cards is to pay for furnishings for their private spaces, such as new bedroom sets, HD flat screen television with surround systems and game consoles. Consumers also use their credit cards to pay for the household monthly necessities and comforts including groceries, electronics such as television, blender, microwave and furniture. These findings support statements given by bank and finance officers interviewed as discussed in section 4.2.2 in the previous chapter.

Due to the MoF Directive of 2005, informants use credit cards as a strategy to overcome a shortage of funds for consumption. The Bruneians interviewed who were paying for weddings often 'maxed out' their credit cards as well as having personal loans. This demonstrates how Bruneians access extra monies to overcome the cap on personal loans. Atkinson et al. (2007) argue that consumers who are financially capable should shop around and select credit cards based on the financial charges attached, particularly interest rates offered by the credit providers as well as the affordability of the monthly repayments. However, most of the Brunei informants are more concerned on how affordable are the monthly repayments and redeeming reward points from credit card use rather than researching the financial costs especially interests charged by banks.

> I am motivated to use my CC because of the reward points they offer which can be exchanged for food vouchers, phone top ups for my fiancé, and royal skies miles so I get a free ticket to travel. I do make use of the instalment programmes in my CC like when I want to buy a new gadget for me or my fiancé. Paying a smaller amount monthly is much more affordable to me than paying the huge whole amount, plus using the instalments stops banks from charging me with late payment charges or any charges if I decide not to pay the full amount but to break the payment into 3 months or 6. The instalment programmes is a good idea… saves me money from unnecessary bank charges. Plus, it increases my purchasing power. I can afford more now with the instalments because I pay a small amount monthly.
>
> (Nizam, 29, Education Officer)

Only a handful exchanged their reward points for cash vouchers, food vouchers and Easi recharge cards (pre-paid hand phone line top-ups). Rewarding credit card users for spending using their bank cards also happens in the US (Langley, 2008; Montgomerie, 2009) and financial institutions have used innovative ways of attracting more consumers to spend using their credit cards thus increasing profits.

Montgomerie (2009, p. 8) asserts that credit card suppliers or providers attach emblems of organisations on credit cards to "'tell the world' something about yourself while adding flare to your wallet". This relates to du Gay et al.'s (1997) discussion of "representations": credit card suppliers design their cards and emblems such as using different colours for different tier cards, to attach different identities and "social biographies" to the card users. Langley (2008) identifies the different values credit cards carry: user value and identity value, but also symbolic goods used by consumers to communicate their identity or social attainment to others especially through the obvious colour coded cards with benefits attached to it.

> ...if I use my credit card I can get 10% or 15% discount for the meal or clothes or services. It's like… if my credit card is squeezing my finances through interest rates why dont I do the same and use the credit card benefits like the discounts or reward points… I am saving money from my credit card and when you look at it, spending by cash is actually more expensive than using your credit card, provided you don't get charged the late payments ….
>
> (Abdul, 33, Consultant)

Credit card use and benefits are not limited to informants' own use but also used for family and relatives, as Aybe (24, Ass't Bank Manager) noted:

> I use my third card (mother's Platinum supplement card) usually when I treat people to meals especially during Ramadan or special occasions like birthdays, mother day or father's day where all my mom's siblings and family and my family dine together and have a great time.

Despite the majority of Bruneians' perceptions of credit cards, the social symbolism or identities attached to credit cards tiers and the benefits of using credit cards, a few informants, for example Zanah (26, Professional) do not feel the same way due to Zanah's upbringing and the influence of her father. Zanah's father believes that when a person flashes a platinum card it does not really signify a person's identity or attainment. Rather, this could mean that the person is highly indebted and dependent on the credit limit offered by banks. Zanah's father is a convenience user of a classic card because he prefers paying a cheaper annual fee compared to a platinum card fee[30]. Zanah and her family's value also reject Langley's (2008) arguments on "representations" of credit card biographies and representations of consumer attainment depending on the hierarchy or type of credit card owned. Zanah states that credit cards are nothing to be proud of and that people should stop flashing their cards as if it is a calling card.

A few middle income informants feel encouraged to use their credit cards from conventional banks that offer a higher credit limit with the 0% instalment programme which works like a hire purchase. (See to section 4.4.2 in previous chapter). The majority of male Bruneians informants use this programme to buy electronics and gadgets while female Bruneians purchase jewellery, bedroom furnishings and designer bags. In addition, while using this programme, these consumers also receive reward points for their transactions for redemption. Another credit card use of the Bruneian informants is to make their monthly car loan

[30] Someone with a platinum card pays an annual fee of more than BND$100 annually, while those using the classic card usually pays half or one third that sum.

repayments while at the same time collecting more reward points, which are then converted for free airplane tickets.

Dina pays all 4 of her cars' monthly repayments which amount to BND$2000 monthly using one of her credit cards. Dina is a convenient credit user and asserts that her use of credit cards to make her car repayments is not because of insufficient monthly income but because she wants to take full advantage of the rewards from her credit card use. According to Atkinson et al. (2007) making full use of credit cards, such as avoiding interest rates by using the 0% instalment programme, and repaying credit card debts promptly, while taking full advantage of the discounts and reward points associated with credit card transactions indicates consumer financial capability.

In contrast, aside from the minimal or slightly more than minimal monthly repayments of their credit cards, there were 2 informants who used their credit cards like cash cards without knowing the expensive charges attached. Sali (24, Teacher) had been using her credit card to withdraw money whenever her brother asked her, rather than for the payment of goods and services. She admitted to being ignorant about financial charges including higher charges imposed for withdrawing money from her credit card account in comparison to using a personal loan. She also admitted to never having researched for appropriate financial products which may have fit her needs.

Section 5.3 is dedicated to examining the different credit card facilities provided by Brunei banks. This is to illustrate the credit card use culture in Brunei where some financial processes informants in Brunei are quite distinctive from those users in other geographies particularly Anglo-Americans. I have briefly demonstrated the level of informants' financial capabilities in researching credit card facilities and charges that might be suitable to their consumption practices. The next section investigates informants' access to different kinds of loans.

5.4 Access to Loans

This section is about the different types of loans informants have accessed. These are different from the largest loans in North America and Western European that are predominantly home mortgages. The expansion in everyday borrowing of Anglo-Americans is due to financial innovations including calculative tools such as credit ratings and scoring that have resulted in greater access for the once marginalised high risk consumers (Palley, 2007). Similarly, in Brunei, innovations in finance such as online banking have enabled an easy and quicker application process as well as faster approval from banks for consumers.

Anglo-American societies' borrowing culture began with the offering of services and products to cherry-picked affluent suburban dwellers[31] (Langley, 2008; Leyshon 2004, 2008). The mid 1990s saw greater access to mortgages as home mortgages had been expanded to the marginalised subprime groups, resulting in a growth in home ownership (Langley, 2008, p.168). Cook et al. (2009) and Smith et al. (2008) assert that subprime mortgage users utilise their homes as collateral to make a re-mortgage to either re-invest into their homes or "leak" out their re-mortgage money for consumer durables and other desires[32]. Langley (2008) examines how consumers, not just credit card users but also mortgage borrowers particularly of subprime lending, use these borrowings to fund their consumption including desires. This pattern of borrowing and using borrowed money has increased threefold over the years according to Smith et al. (2008).

Bruneians on the other hand have access to mainly prime lending and were not exposed to different tiers in interest rates from banks due to government regulations. The only exclusion by banks is to Bruneians earning less than BND$500 monthly or without a stable occupation. During my interviews, I found that monthly repayments for personal and car loans take up a large proportion of consumers' monthly incomes despite their borrowing from prime lenders and only repaying the minimum instalments required. Also, the majority of informants do not own a house of their own yet and are still living with their parents or in government rented homes, thus making home mortgage or MEW not a main source of financing consumption (Cook et al., 2009; Smith et al., 2006, 2008). After the implementation of the MoF Directive 2005, government statistics and reports show that the Bruneian finance culture has shifted from dependency on personal loans torevolving credit, such as credit cards, and car loans to feed their materialism and consumption as demonstrated in chapter four. (See figures 4.3 and 4.4 on pages 79 and 80 in chapter

[31] Financial inclusion by financial institutions who sold loans, mortgages, credit cards and investments including insurance to affluent suburban communities.
[32] Borrowers use their homes as collateral especially when housing prices are high to borrow in order to spend on consumer durables including cars, clothes, home improvements, furnishings, holidays, and so on (Cook et al., 2009; Langley, 2008; Smith et al., 2006)

four). The following section discusses the Bruneians' personal loan use, which was the main source of indebtedness that led to the financial reform.

5.4.1 Personal Loan

As suggested in the previous section, Anglo-American societies' borrowing culture tends to be based on home mortgages, whereas Bruneians' borrowing has mainly been based on personal loans, particularly before the financial reform. Due to the changing financial culture in Brunei, consumers could still fund their materialism and desires because their source of funding is not solely dependent on personal loans but on various kinds of borrowing e.g. credit cards and car loans. This section considers how the use of personal loans has been transformed. Only about a third of informants are repaying their personal loan debts. Most of them are married or are getting married within the year.

Informants with personal loans prior to the MoF Directive of 2005 had a portion of their loan spent on their family or home, such as furniture, electronics, family holidays, shopping for family and relatives:

> My first Personal Loan was about BND$20k for a down payment for my first car, a Honda Accord, which I have long sold for BND$15k. I gave my parents the money to buy whatever they needed, more like a thank you for paying for my education. So they bought air conditioners, furniture and some electrical stuff… I can't remember them all. Hmmm… for first top up in 2002 it was from IBB, it was mostly for pleasure…the pleasure of having the extra money to spend. I went travelling…sightseeing…and shopping like twice a year… usually spend about BND$4 to 5k for only 2 nights per trip. I stayed at good hotels like the Crown Prince Plaza. I used the money to shop for my clothes which only cost about BND$30-40 each. …I bought stuff for the family too when I travel…I buy fashion accessories for me too. I also bought furniture for the house...nothing too expensive…moderate. I bought a sofa set which cost $2k and a 42 inch television which cost about BND$3k. I also bought a bedroom set for my room which cost me about $2k. Oh …and I bought a car for myself too…it was a Lexus IS which cost BND$53k by cash also using my personal loan. Then in 2003, I did another top up from the previous BND$80k to become BND$90k from the same bank. This meant I had an extra BND$10k for me to use so I used this to buy more furniture and travels. While travelling I bought my white gold jewellery and gave BND$500 to each of my parents. In 2005 I took a personal loan from SCB amounting to BND$17k. It's like I transferred my personal loan from IBB to SCB. I used it to buy stuff for my living room like curtains and…I don't know I forgot what else! In 2006 I went off to do my degree in the UK. Most of my top ups were used to shop in Singapore the shopping paradise…hehehe! I have to admit I spent lavishly then. I bought things like Ferragamo scarves like BND$300ish…Ferragamo shoes BND$350 which were on sale at that time, a Prada handbag worth $800. I do go for designers if I like them and I still go for designers today.
>
> (Honey, 36, Data Management Officer)

Paying for family obligations and treats are common amongst informants. They see this as a way of expressing gratitude for the family's support and care over the years.

Aside from social relations, personal loans are used to pay for costly social and cultural practices:

> I applied for my personal loan back in 2004 because I was about to get married. I didn't have any savings so I asked for the full loan because I wanted to do a lot of things with it plus it'll be a hassle if I have to go to the bank frequently to ask for a top up…so I got the full BND$100k plus and spent about BND$40k on my wedding ceremony which included the caterers, wedding decorations and clothes, souvenirs for guests for the *Berbedak* Night[33] and the actual wedding day…hmmm…oh! And also bought gifts for my husband to be exchanged during our *Nikah* day[34]…and also hiring the *Pengangun*[35], cameraman and the photographer…paid for the *Malam Jaga-jaga* where my relatives came to our house to help wrap the souvenirs but also karaoke and ate dinner at home throughout the wedding ceremony which lasted almost two weeks…what else was there...I bought my car which cost about BND$27k…oh yeah! I renovated my room for my wedding also…went abroad for my holiday with the family. I also treated my family especially my parents.
>
> (Suri, 32, Lecturer)

Suri's loan was used not just for herself, but also for social cultural obligations and relations expected by her family and society such as paying for the different wedding ceremonies and ensuring the comfort of her relatives and guests who attended her wedding. Aside from renovating her own room, she also renovated or re-decorated her parents' house where she was still living and held her wedding ceremonies. Additionally, because it was not her house, she had to use her personal loan for the renovations instead of a home re-mortgage or home improvement loan. Such findings are similar to most of the Bruneians who have applied for a personal loan and who are getting married or intending to get married.

[33] Translated to Powdering Night is part of a series of wedding ceremony where guests who have been selected to put powder on the groom's or bride's hands or face are given special little gifts or souvenirs. Guests invited to this function are treated to dinner buffet and gifts often in the form of cakes and biscuits to bring home.

[34] This is the day when both groom and bride are officially married by according to Syariah Law. On this day, both bride and groom exchange gifts often in the form of luxurious consumer durables and food. According to the older generation, the number of gifts given should be in odd numbers. During this day, guests are also treated to some food and in affluent families guests are given a money as gifts from the newly weds.

[35] They are often elderly women with many years of experience in preparing the bride or groom for their wedding ceremonies. *Pengangun*s often perform bath rituals, prayer recital; provide advice on marriage, takes care of the bride or groom from the start of the wedding ceremony until the end of the ceremony. They ensure that the bride or groom feel more composed and look regal like Kings and Queens for the day.

The topping up of personal loans was a way for Brunei informants to access more financing for consumption. Two-thirds of those interviewed applied for top-ups for their personal loan before 2005. Honey for example topped up her personal loan twice increasing her loan amount from just BND$20k to BND$80k within a space of 2 years to spend on comforts and luxuries for herself and her family. This constant and out of control topping up of personal loans by consumers before 2005 had urged the government to make reforms disallowing top-ups being made frequently and easily.

Nevertheless, not all personal loans are used entirely for luxuries or leisure. Other Bruneians interviewed used their personal loans for necessities and out of desperation. Darul (36, IT staff) for example was made redundant from work which left him with large credit card debts after having purchased high end clothes and accessories. He used the balance from his credit card and savings to pay for his daily needs and debt repayments while he searched for another job. As soon as Darul was employed, he applied for a personal loan to pay his outstanding debts which nearly resulted in him being blacklisted by the BAB. He also used his personal loan to pay the deposit of his new car. Dipa (38, Tradesman) depended on his personal loan to pay his and his family's daily needs especially when his child was sent by the government to Singapore for medical treatment. He could not afford to save monthly with his debts and family responsibilities. Darul's and Dipa's circumstances support Langley's (2008, p. 201) claims that consumers' employment, health and family circumstances are likely reasons for them to find themselves unable to meet their outstanding obligations.

On the other hand, more than half of the informants who had a personal loan prior to the MoF Directive 2005 used part of their loan as capital for their investments and fixed deposits. Any dividends gained were often re-invested or used for their annual holidays abroad for shopping.

> I opened a fixed deposit account using the personal loan and bought some bonds and shares. …Annually I get paid dividends of a few thousand dollars and I use part of this money to pay for my holiday to Bangkok with my family.
>
> (Suri, 32, Lecturer)

Similarly, Lina (35, Lab Assistant) used her personal loan to pay for her wedding expenses and room renovations, shopping trips to neighbouring Malaysia with her sister as well as capital for her direct sales business. The examples provided by Suri and Lina of investing their money and Darul's repayment of credit cards using their personal loans are examples of "good debts" (see Langley, 2008). Brunei bankers and financial planners encourage consumers to use their personal loan to pay the excess off credit card debts to avoid the higher interest rate compared to the personal loans, which is about 6% annually. Darul's decision to use a personal loan to pay off his credit card debts is commended by personal bankers. This proper selection of finance has been identified by Atkinson et al. (2007) as part of financial capability with consumers choosing suitable financial products that can benefit them financially.

In the case of the Bruneians interviewed who have applied for personal loans after 2005, I found a similar trend to those who had borrowed before 2005, despite their more restricted access to credit. Dependence on car loans to buy their cars and credit cards to fund spending are common amongst those interviewed supporting reports by the government as discussed in section 4.4 in chapter four. Only a third of the Bruneians interviewed have applied for a personal loan after 2005. These informants use their personal loans for their own spending as well as for social obligations and practices:

> I gave my parents about $5k for renovation for the house before the wedding…. I used less than $20k for my wedding expenses. There is just a few thousand left from the loan still in my account. Oh…I did spend my personal loan for my honeymoon to Dubai. It was partly paid by me and my husband. Yeah…the rest of the money was spent on going to Singapore and Kuala Lumpur. The honeymoon wasn't too extravagant, it was okay... When it was expensive, I asked my husband to pay...!
>
> (Siti, 32, Government Officer)

Siti's use of a personal loan to pay for social and cultural practices are similar to other consumers about to get married and who have maxed their credit cards and personal loans in order to pay for their wedding expenses such as Khai and Mazlan. These consumers were getting married in a few months and often gave cash from their personal loans to their parents to manage part of the spending for the wedding, such as on purchases of souvenirs or gifts, logistics and food catering for guests attending their wedding ceremony. However, when it came to choosing the *hantaran* or gifts for their future spouses often during their *nikah* ceremony, they preferred to consult their future spouses or purchase them together.

Other Bruneians who applied for personal loans after 2005 use them for various other reasons, ranging from necessities, comfort, leisure and luxury. The examples of goods bought are almost identical to those who had taken out personal loans before 2005. However, the apparent difference is that they depend on various kinds of loans or borrowing to fulfil most of their desires, because the personal loan is often not enough, for example to buy a car. What commodities and services consumers purchase and why will be discussed further in the next chapter which deals with consumerism in Brunei. Nizam (29, Education officer) for example bought himself a European car using his car loan; he used his personal loan to purchase other luxuries and leisure including a motor bike, holidays, gadgets, car modifications and investments in fixed deposits.

Instead of using credit or loans as a selfish act for only the consumer's self use and pleasure as described by Manning (2000), writing about young consumers in the West, Bruneians interviewed also extend their personal loans to their family and loved ones such as fiancés. Nizam used his personal loan to pay for his engagement ring and engagement ceremony, as expected by the social cultural norms in Brunei. Two thirds of Bruneians interviewed with personal loans after 2005 use them to treat or help their family and relatives, out of a sense of social obligation:

> I used my personal loan to pay for my brother's education. He is studying in KL and taking a Tourism course which is not available in Brunei. I didn't want to take an education loan[36]… I think it's a hassle. So I might as well take a personal loan so I can use most of the money for my brother and the rest for my leisure activities.
>
> (Shai, 30, Professional)

Shai (30) insists that the main reason for him to apply a personal loan is for his brother's future seeing that the local institution in Brunei does not offer the course he wants to study and because his brother could not get a scholarship from the government for his education abroad. Furthermore, because he is single and has a stable well-paid job, he has volunteered to pay for his brother's education. He considers it an investment and hopefully would get some returns such as if his brother wishes to pay him back one day when he gets a job or when his brother starts contributing to the household expenses. The balance of his personal loan is used for other consumer durables for himself such as a car deposit.

Others use their personal loan for emergency reasons and out of a sense of social responsibility for their family, such as for family car repairs, mother's

[36] Unlike in the UK, Bruneian students do not have access to education loans from banks. Usually, parents or guardians take up an education loan for the student. This type of loan is not popular among Bruneians mainly because of the education in Brunei is free and the scholarships offered to locals by the government to study abroad.

medications and medical treatments, family home maintenance such as house renovation and roof repair as well as as capital for a failing family business. Abdul's use of revolving personal loans reflects the importance of social and cultural obligations and norms in Brunei that influence consumer finance use. This includes consumers spending for their loved ones for leisure and comfort purposes:

> I first borrowed money to pay for my CC and overdraft in UK when I was a student there… Then I borrowed to pay for my CC in Brunei because it was maxed out to pay for some of my older sibling's wedding preparation… I also used it to help my brother who was studying in the UK to pay for rent, pay for his monthly groceries, etc. I also used it to help my parents with any monetary shortfall. I treated my family and my uncles to stuff and food too…they're quite a loud and nagging bunch and if they want you to treat them… they will definitely be vocal about it until you actually treat them …hahaha. Oh and I also usually go on holiday abroad with my family and pay for the hotel room, part of the transport…sometimes dine outs and give them pocket money for shopping. So it was a whole host of things really.
>
> (Abdul, 33, Consultant)

Similarly, Rini (25, IT Staff) who comes from an upper middle income family, still receives financial support from her father including for her wedding. This is because she is the first among her siblings to get married. She allowed her parents to do all the appropriate planning while she was only responsible for the buying of gifts for her and her fiancé *hantaran* and chose her own wedding clothes.

According to Rini, because she had money to spare and had access to an unused personal loan, she decided to buy some bedroom furniture and decorations for her fiancés' bedroom especially now that her fiancé was already financially burdened with his share of the wedding preparations. Furthermore, she saw her contribution as an investment for her, since she would be staying with her fiancé under her fiancés' parents' roof after they got married. She used her fiancés' credit card 0% instalment programme to pay for her a high end television for her room, though she was repaying the monthly instalments. She believed that it is only natural, and moreover it made living at her fiancés' family's home more comfortable.

Aybe (24, Ass't Bank Manager) admits spending her revolving personal loan on a few comforts and luxuries for herself and her family, such as paying for her and her family's hotel room charges while abroad, as well as transportation, food, shopping money and gifts or souvenirs for relatives. Aybe also uses her loan to pay for gifts or cash contributions during *Eid-ul Fitr*:

> I use this loan to pay for my credit cards and the cash needed for my holiday recently and for some shopping and leisure… especially my unplanned holidays abroad. The recent holiday abroad I bought some shoes including a pair of Guess shoes, clothes, supplements for me, handbags including a few Guess and Elle handbags, an LV purse, toys for my younger brother, gifts for my family and my transportation costs. I also used my PCN to buy some *hari raya* stuff such as coloured decorative lights for the outside of the house, some cakes and biscuits for the house or to give to my aunties.

My findings concur with those of Bernthal et al. (2005); Medina and Chak (1998); Talib (2000) and Worthington (2006) who argue that credit facilitates consumers' urban lifestyles. I will go a step further and assert that in Brunei consumer credit, whether it is credit cards or personal loans, is also used to facilitate the lifestyles of the borrower's family and loved ones. This include paying for their needs, comforts as well as luxuries including utilities, education, home maintenance, holiday abroad, pocket money for shopping, treats, household furnishings and electronics.

Furthermore, as with the Bruneians informants that applied for personal loans before 2005, some personal loans acquired post 2005 are used on "good debts"[37], for example to pay loans off with higher interest rates, or invest money in a financial product that provides a return. Abdul (33, Consultant), Aybe (24, Ass't Bank Manager) and Mat (27, Law Enforcement Officer) used part of their personal loans to pay some of their credit card debts. In addition, most of the consumers with personal loans after 2005 applied for revolving loans such as PCN[38] along side their credit cards. Abdul for example had to immediately apply for his personal loan after graduating from the UK and starting to work to pay for his UK student account overdraft and UK credit card debts which he had used to pay for his necessities and some comforts. He had to use his personal loan to pay for his UK debts because his UK bank was sending him warning letters for default payments. Meanwhile, Aybe used her personal loan to pay her credit card debts after coming back from shopping abroad. She also paid money she owed her mother after her mother had paid for her car repairs (a few thousand dollars) after she had been involved in an accident. Similarly, Mat used his revolving personal loan to pay for his credit card debts which he incurred while he was training in Singapore, as well as for his parents' fares and

[37] Refer to Langley (2008)

[38] PCN or personal credit line is not a straight line loan (which was very common among Bruneians interviwed who have taken a personal loan before 2005). A PCN works like an overdraft, where consumers can re-use the amount repaid in their personal loan offered by a few conventional banks. Revolving loans along with credit cards are more popular amongst the post 2005 Bruneians interviewed.

expenses to fly to Singapore for his graduation ceremony. However, he admitted re-using his credit card once his debts had been cleared using his personal loan. He confessed to re-using his debt free credit card when shopping for high end goods in Singapore.

In terms of investing money using a personal loan, less than a third of post-2005 consumers with personal loans used their loan to invest. For example Isam (30, Teacher) who used his personal loan which he had actually borrowed to use for his wedding expenses and had to redirect this payment (BND$15k) into saving the family business. The remaining BND$10k of his loan was saved into a fixed deposit account. Due to the family business problem, his family is currently highly dependent on him and his older sister for household spending, including comforts, because they are single and employed. He feels that because of this he has put his social life, particularly his marriage plans, on hold because of social expectations from the family to help with their financial burdens. Only one consumer used the total amount (BND$24k) of her personal loan to invest in an online foreign exchange investment scheme. She eventually lost everything and had to pay back her loan. In contrast, Aybe chose a safer investment scheme where the bank acts as the intermediary and provides advice on what to do with her investment. Licensed institutions such as banks that offer investment products are often regulated and monitored by the government.

My research has shown that reforming and regulating financial structures alone may not be sufficient to change consumers' culture of spending and materialism. A remarkable change in trend was that the majority of informants who applied for personal loans after 2005 had opted for a more flexible and revolving personal loan rather than a straight line loan. Out of the 36 Bruneians with personal loans interviewed, 21 of them applied before 2005 and all of them have taken straight line personal loans. Of the 15 informants who applied for a personal loan after 2005, only 5 applied for a straight line loan and 10 for a revolving personal loan. This change in personal loan borrowing was the informants' way of overcoming the cap on personal loan.

However, access to this type of credit can only be accessed by most working consumers with a monthly salary of more than BND$750. This type of loan is popular amongst Bruneians interviewed. Informants with a salary below that limit only have access to a straight line loan. However, those interviewed find it difficult to reduce the revolving credit of their personal loans. This is because, according to them, it is a means of “recycling money” where they have easy access to repaid credit, and used it monthly for everyday consumption. The remaining 2/3 of Bruneians interviewed who have voluntarily excluded themselves from a personal loan for the time being state that they would not hesitate to apply for one once they intend to get married. They argue that for the moment they are satisfied with just using a credit card and a car loan to meet theirs and their family’s needs and desires.

As highlighted throughout this section, the use of personal loans is not solely for the consumer’s own consumption but also to facilitate social as well as cultural obligations and relations. Here, social intermediaries (du Gay et al., 1997) particularly family and loved ones influence consumers’ financial use and culture. Similarly, this reinforces the importance of appreciating that different spaces have different regulations and social obligations associated with governments and social institution particularly the family (Lee et al., 2009). Section 5.5 further examines these differences.

5.4.2 Car Loan

As noted, car loans or mortgages are the second most popular type of lending amongst Bruneians interviewed after credit cards[39]. More than half of the Bruneians interviewed are repaying their car loans. The Bruneians interviewed with personal loan prior to 2005 state that depending on a personal loan is sufficient and economical to pay for their car and other consumer durables for their family’s consumption. These informants are only charged finance charges related to personal loans only, whilst consumers who borrow after 2005 have to pay for different sets of interest rates and finance charges depending on the different types of financial borrowing products they access.

Interestingly, most informants state that they never really put much thought into choosing the best car loan deals and rely on car dealers to process their dealings with representatives from financial institutions. Often consumers choose from lenders where their monthly income is paid into. Most female informants consult their parents, especially their fathers, for advice on car and financial agreements selection including amounts to be deposited. Most informants who bought their car(s)

[39] Refer Table 5.2 page 115.

after 2005 show a change in attitude and prefer sensible, middle range Japanese brand cars compared to those stereotyped by FID and bankers whereby they state that young consumers prefer luxurious European cars.

Informants choose cars that cost between BND$30k-65k and the majority of them own only one car. Importantly, the majority of informants who bought cars after 2005 emphasised the question of, “How much do I have to pay monthly?” as the main determinant of accepting a personal loan. This is similar to credit card repayments where Bruneian revolvers interviewed only pay what they could afford monthly. Consumers prefer a monthly repayment of nothing more than BND$1000 for their car loans or mortgage and are less concerned about the total cost of the car after including interest rates charges. This trend is different from UK consumers where Atkinson et al. (2007) assert consumers’ first priority is the cost of the interest rate followed by the cost of monthly repayments as important factors influencing consumer’s choice or selection of products. Furthermore, Langley (2008) asserts that Anglo-Americans often use their homes as collateral for their car mortgage or loan which is different from the car loan culture in Brunei.

More than 2/3 of the Bruneians interviewed have a car loan. Interestingly, four Brunei informants are paying for two or more car loan repayments concurrently. They are all graduates with government jobs earning more than BND$2600 monthly. Three are male and one is female. Surprisingly, the only female Bruneian is a teacher and a part time insurance broker manager is paying for four car loans simultaneously:

i. Mercedes: BND$100 monthly since June 2008 for own use and is the leisure car
ii. Rover: BND$500 monthly until the end of the year (2008) for everyday use
iii. Hyundai Tucson: BND$400 monthly and has been paying for this from June 2004 for her late father’s use
iv. Nissan Sunny: BND$380 monthly since 2003 for her mother’s use

Dina’s (age 35) car loans alone amount to BND$2280 which is almost 2/3 of her government salary. The cars she bought are for her leisure and everyday use for herself as well as a car for each parent’s comfort, especially when each parent often goes out separately with their own social groups.

Male informants have two cars strictly for their own use. Similar to Dina, one car is for everyday use which they term as their “working” car and the second car is their leisure luxurious or “weekend” car:

> I have 2 cars… why? Well…one is my working car, which is the little swift vehicle which I pay a monthly sum of $300 for the car loan instalments. I use the car loan from Baiduri bank. My other car is my leisure car…the Evo Lancer is my weekend car! I pay $1100 monthly for the instalments from BIDB using direct debit. I do pay promptly monthly for my Evo but… for the swift…I sometimes don't pay in full especially when I am short on cash but usually I try as much to pay in full monthly. The Evo cost me about $80k, it is as expensive as getting a BMW, Lexus or a Merc. It has always been my dream car since I was in form 6. I modified the Evo; I can't use it everyday because I might get fined by the police or the Land Transport Department that's why I use it during the weekends only. I use it to meet up with friends, cruise around Gadong or Kiulap cos you know there are a lot of people around so you can "wash your eyes" and show my car to people standing around near the shops or those sitting at the cafes
>
> (Sam, 30, Government Officer)

Sam spends half of his salary to pay for his car loans and he has other financial obligations including credit card repayments, household contributions and utilities at home.

Mat (27, Law Enforcement Officer) who complained about his personal loan and credit card debts also pays for 2 car loan repayments. He is paying BND$1013 monthly for his Nissan Skyline sports car and BND$238 for his Suzuki Swift[40]. His car loans alone use up nearly half of his monthly salary. Simultaneously, he needs to repay his revolving personal loan of about BND$1500 monthly which he takes out and re-uses for his everyday consumption and credit card repayments. According to Mat, he needs his second car which is the Suzuki swift because he was involved in an accident using his Nissan Skyline leaving it irreparable but he is still repaying the monthly instalments for the Skyline. Therefore, the second cheaper car is a means for him to go to work[41].

On the other hand, Samid (27, Teacher) has a car loan from a bank which he is repaying BND$378 monthly for his Honda and BND$250 for his other car which is a second hand Nissan Skyline from a private firm selling second hand cars. According to Samid, he personally knows the owner of the second hand car shop and makes private arrangements to pay him monthly. Paying instalments direct to second hand car sellers and workshops is not a popular form of car purchase amongst the Bruneians interviewed. Thus, borrowing in Brunei is not limited to formal financial institutions. About a quarter of the Bruneians interviewed have access to other

[40] He also has problems with reducing his personal loans (revolving loan) which he keeps on re-using after making repayments, aside from already maxing his credit cards from his shopping in Singapore and on his family.
[41] For Mat the drive from his home (where he still stays with his parents) to work is about 100km.

sources of borrowing which are less costly as opposed to borrowing from formal financial institutions. The next section elaborates on borrowing from certain social and cultural intermediaries that the Bruneians interviewed have access to.

5.5 Access to Social and Cultural Intermediaries

Much of the research in financial geography focuses on the consumers' relationship with formal financial institutions and the slowly diminishing role of the government in finance through neo-liberalisation and democratisation of finance[42]. Langley (2008) highlights the importance and dearth in studies on consumers' credit culture and reaction towards financialisation. Yet, Langley (2008) does not consider the importance of social or cultural intermediaries influencing finance culture of consumers. Here, I examine consumers' access to other forms of borrowing - borrowings through their relationships and networks with social and cultural institutions. Lee (2002) and Lee et al. (2009) emphasise and recognise the importance of spatial differences and how cultures, as well as regulations in different geographies, vary hence affecting the supply and demand in this case of finance. From my interviews with Bruneians, consumer access to alternative financing aside from banks and financial institutions come from the government and family members. In this section I begin by examining consumers' access to government lending as part of the Bruneians financial culture. I then explore consumers' access to family borrowing and how this affects consumer financial culture.

5.5.1 Government Loans

Aside from French and Leyshon's (2004, 2008), Leyshon et al. (2004); Leyshon and Pollard (2000) assertions that income determines a consumers' access to finances, an individual Bruneian's financial access could also be affected by the different sectors the informants work in. Informants working permanently with the government have access to cheaper government loans which are interest free and repayments are lower and longer compared to finance institutions such as banks. However, access to how much they can borrow is determined by the post they hold in the government sector. A junior government officer (B2 officer) with a degree earning a basic salary of about BND$2600 monthly would have access to higher credit limit than someone who works as a government clerk earning less than

[42] See Christopher (2009); French et al. (forthcoming); Langley (2008); Lee et al. (2009); Leyshon et al. (2004); and Pike and Pollard (2010) amongst others.

BND$1500. The two types of loans provided by the government are car and house loans. I begin this section by examining government car loan culture in Brunei and then discuss Bruneians access to home loans.

Although a government loan is a cheaper alternative to financing in comparison to those offered by financial institutions, only a handful of informants have a government car loan. The main reason for this is because the credit limit offered by the government to a B2 government officer was only BND$12,000. Many Bruneians believe this amount is insufficient in purchasing a new car of their choice, so instead they prefer to get a car loan from financial institutions despite the interest rate charges. Informants who use a government car loan often purchase a second hand car. Interestingly, all but two informants used the government loan to buy second hand cars from a relative but re-directed the money obtained from this loan to pay for debt repayments from formal lenders, deposit for a new car and payments for consumer durables and needs.

Majid (26, Government Officer) bought his BND$80,000 European car using a bank car loan and is repaying the bank BND$1000 monthly. He used his government car loan to buy his mother's car. On paper, the ownership of the car has been transferred to Majid, but his mother continues to drive the car and Majid drives his car. The money received from the government car loan is used as capital for his investment while he only repays BND$250 for his government car loan instalments which are much cheaper than getting a personal loan from banks. Additionally, he states that he might need the personal loan as he is intending to get married soon. This finance culture in Brunei works almost like the MEW with credit leakage. Smith et al. (2006, 2008) and Cook et al. (2009) state that UK consumers use home re-mortgage or their homes as collateral but the amount which is originally used for re-investing into their homes is spent on consumer durables for the home such as interior decorations and electronics but also shopping at high streets and purchases of new cars or a holiday.

The remaining few who actually used the government car loan to buy a car for themselves and their families as a means of transportation is because they cannot afford to buy a new car using a bank loan due to their already existing financial obligations such as personal loans and credit card repayments and have to provide for the family. For example, Pg (34, Public Works Officer) has a government house loan, personal loan and credit card debts concurrently while at the same time has to provide for his family. While Harini (36, Clerk) said she cannot afford to buy a new car and pay for the car deposit for a brand new car and so uses a government loan to pay for her second hand Japanese car to drive to work and take her son to school. She argues that second hand cars sold in Brunei these days are nice and in good condition as people continuously update and buy new cars and so the second hand cars sold are not too old.

The other type of government loan is the house loan. House loans provided by the government or from banks are the least popular type of loan amongst my informants. Only four Bruneians interviewed are paying for their government house loan borrowed and one informant from the bank. When all their debt repayments are combined (credit cards, personal or bank or government car loan), these people's monthly debt repayments exceed 36% of their income. The majority of those interviewed with home loans are between 35-39 years old and are married. Hajah (35, Education Officer) is the only still single informant who is already a landlord and has let out her house. She uses part of the monthly rental money received to pay for the monthly government home loan instalments and give the other portion of the rent to her mother for her everyday consumption. Hajah lives with her parents and contributes to the home expenses.

Similarly, Nurul (38, Clerk) uses her government loan to build her own home but has rented it out so she could pay the monthly house loan instalments. She lives in her husband's government subsidised rented house together with her family. Meanwhile, Jali (29, Army Officer) is the only homeowner interviewed who is paying a monthly home loan instalment from the bank rather than the government because he thinks that the process of getting a loan from the government takes longer. He stated that the banks take a shorter time to approve their loans thus making them more accessible. Similar to Hajah and Nurul, Jali, has let his house and uses the monthly rental as repayment for his instalments. Like Nurul, Jali and his family live in a government subsidised apartment for which he only pays about BND$150 monthly. Jali also mentioned that he is considering a government house loan to purchase a second property.

Like a government car loan, a government house loan is interest free but repayments are distributed according to how many more years the informants have left to work with the government before they retire at the age of 60. Just like the financial reform in 2005, government loans play a role in influencing some consumers' financial circuit by providing alternative financing which are cheaper but with limited credit limit compared with banks. In addition, access to government financing is limited to government workers while access to more credit limits is determined by the rank and income of the worker. Informants believe that the government should re-think their regulation on credit limit particularly for car loans (BND$12k) and need to keep up with today's car prices, especially with inflation and new market prices due to oil prices. Some informants reckon that the credit limit to car loan is out-dated because the amount was set in 1983 when cars were slightly cheaper.

Government loans in Brunei demonstrate how distinctive cultures and regulations practiced in different countries affect the financial culture which is not fully appreciated by financial geographers[43] as well as political economists such as Langley (2008). The other important social differences or cultures practiced by Bruneians in influencing consumer credit use is consumers' relationships with family and relatives. The next section examines these social and cultural intermediaries (du Gay et al., 1997) and their influences.

5.5.2 Family Loan and Assistance

The majority of Bruneians interviewed live with their parents, which is the norm in Brunei until the consumer gets married and has their own family. Informants often seek family assistance during financial hardship or when making important decisions involving large sums of money such as car purchase and loan based on the family's knowledge and experience. Families intervene and often try to minimise consumers' debts from formal institutions, especially banks. This section explores the family as a key social intermediary (du Gay et al., 1997) and its role in shaping consumer financial consumption culture in Brunei.

Aside from government loans, borrowing from family also does not usually involve charging interest or administrative fees. Access to this form of borrowing depends mainly on relations and trust and not consumer income or occupation as often is the case in formal lending as argued by Anglo-American researchers (See

[43] Refer Christopher (2009); Cook et al. (2009); French et al. (forthcoming).

French and Leyshon, 2004, 2008; Kempson and Whyley, 1999; Langley, 2008; Leyshon et al., 2004; Leyshon and Pollard, 1999). The majority of informants have borrowed small amounts of cash (BND$10-100) to avoid the hassle of going to a cash point when they need the cash urgently. Often these small amounts are paid back immediately. However, about a quarter of consumers admit borrowing larger sums from their parents which most of them refer to as “parental loan”. There are cases when parents insist on paying for the consumer without expecting any repayments.

A few Bruneians stated that their parents insist on topping up their car deposit:

> Dad gave me money to pay for the down payment of my car which was $5000. He insisted on paying… I paid the other $5000. Dad topped up the down payment for my car so the monthly payment of the car is reduced from $900 to about $750 monthly.
>
> (Umi, 29, Law Enforcement Officer)

Other financial assistance from the family without expecting to be repaid include paying for half of newly employed informants’ consumer durables needed for work such as a laptop, traffic fines as well as social cultural practices, in particular wedding ceremonies.

> For my wedding I used my savings to pay for the expenses. In August 2005, I had already saved up $14k before I went off to do my Masters; this was when I was working as a teacher in a high school. Then I had my old savings from when I was a child, I managed to save about $20k, this was from my allowance, my temporary job and money my parents used to give me. So yeah, I paid for my wedding myself. I mean sure, my parents also contributed and paid for some expenses because they wanted to being the first in the family to get married. But the bulk of it was from me and my own money. So I don’t have debts to pay from my wedding and I am happy about it.
>
> (Zanah, 26, Professional)

Zanah’s parents contributed towards her wedding expenses to avoid social conflicts and needed to maintain social relations by inviting more guests than Zanah could afford to pay for on her own. Moreover Zanah was the first to get married among her siblings. She asserted that Malay weddings often involve inviting friends and colleagues of the person getting married; parents’ colleagues, family and distant relatives as well as siblings’ invitations. Furthermore, some ceremonies also include inviting the spouse-to-be’s family and relatives. A Malay wedding reception often has 600 to 1500 guests.

In relation to “Parental loans”, informants have either asked for one or have one because their parents insist on lending them the money to avoid high financial charges from banks. The amount borrowed range from a few hundred thousands of

Brunei dollars. The financial assistance or loan include car deposits, car insurance, sports car rims, taking over a bank car loan and property purchase:

> I had a car loan from BIDB to buy my SUV…all in all it amounted to nearly $100k and my monthly instalments were $1.5k monthly. But now, my father has paid up the loan for me in full and I am paying my father instead… $1k with no interest for 7 years! Hehe! ...$500 cheaper than the banks! I have another 50k left to pay him tho. …My dad insisted to help. The same goes with my next purchase….I have decided to buy a piece of land worth $60k, dad's going to pay in cash for the land which will be under my name and I will pay him off monthly… maybe pay him 500 a month. It's like since he has the cash from his pension and retirement fund from the government why not use it to help your kids right? …I mean…it's not like we're not paying him back.
>
> (Siyah, 31, Special Duties Officer)

The majority of these informants come from middle income family background whose parents are either still working as senior officers or recently retired parents who have received a large amount of monthly pension and *"baksis*[44]*"* or gratuity. The younger generation do not receive monthly pension and gratuity in large amounts as the older generation but have TAP which is not as much as the older generation's pension benefits. Rozy's (26, Auditor) father lent her over BND$1000 for her car insurance to avoid using her credit card or loan and incur interest or any administrative charges and she repaid her father in three instalments.

Abdul (33, Consultant) borrowed from his grandfather who is a retired driver who earned a low income and had to feed 10 children. However, during the time of the interview, most of Abdul's aunts and uncles are senior officers and have boosted the family's status. His grandfather receives more than BND$1500 monthly from his children and grandchildren. Due to his grandfather's prudent lifestyle, he manages to save more than BND250k in the bank. Abdul compares this with his lifestyle which is very spendthrift and a little spoilt due to his affluent upbringing. He describes how his family jokingly call his grandfather the "mobile 24 hour bank" because family members could borrow from him anytime without interest. Abdul borrowed about BND$6000 from his grandfather to pay for his graduation trip to the UK which he paid back in 12 instalments. According to Abdul, his uncles, aunts, cousins and Abdul's siblings have borrowed from his grandfather and paid back on time.

Abdul highlighted the importance of the responsibility of keeping up with repayments to maintain trust and good social relations when it comes to borrowing

[44] Huge or lump sum amount received from the government usually in their hundreds of thousands of Brunei dollars depending on his/her last position while working with the government.

from family. This practice re-affirms McKinnon and Schroeder's (2006) argument on the importance of family relationships and trust when borrowing money which motivates consumers to make repayments promptly without default. Siyah also asserts the same thing and jokingly says that if she is to default her repayments to her father, her father might change the locks to the house and she would have to sleep in her car. On a more serious note, she says that punctual repayments are important because she does not want to lose the trust especially if she decides to borrow again in the future. According to McKinnon and Schroeder (2006) consumers who owe money to family members often make sure they do not default payment because they want to avoid any embarrassment. This is also something which the majority of consumers who borrow from their family mention.

The other interesting issue related to Bruneians' relationship with their families is that about 1/5 of consumers assume the responsibility of the family car instalments that they drive. Deposits for the family cars are paid for by the parents and the car loan is under the parents' name. These cars are usually sensible and cheaper Japanese cars bought by their parents to be shared by the family members who possess a driving license. Informants who continue to drive the family car even after employment are expected to take over the car instalments which often cost between BND$250-500 until they decide to purchase their own car:

> It's $296 monthly and it's actually my mom's car which I pay monthly because I needed a car to go to uni and these days to work. I have been paying for the car since my final year in uni. My mom paid for the down payment which wasn't much actually. It's a small 2 door car… nothing fancy… we couldn't afford fancy. Now that I am working…I might buy a car for my self and hand over the car to my younger brother…we'll see.
>
> (Ezah, 25, Tutor)

While in university, Ezah paid about half of the monthly repayments of her mother's car using her government student allowance given to her (BND$356 monthly) because she was the main user of the car. After landing a permanent job, she took over the total amount of the monthly instalment. Ezah has been thinking of buying a new car for herself and would pass on the family car, including the responsibility of the car instalment to her younger brother who is in college.

On the other hand, Mira (24, Education Officer), drives her father's luxury dream car instead of the cheaper family Japanese car:

> I am paying half of the monthly instalment for the BMW 5 series I am driving now…about $750… The loan is under my dad's name. My dad paid for the deposit and is paying for the other half of the monthly instalment. It was bought out of the blue… we don't really need it but dad always wanted to have a BMW so he bought it but don't really use it…so instead I use it. …so mom suggested that since I am using it, I should pay for half of the monthly instalment. We have two other cars … dad drives a Mazda 6 to work and mom drives her Volkswagen Golf.

Rather than paying for the full monthly instalments, she shares the payment equally with her father as suggested by her mother. Her father has ended up driving the mid-range Japanese family car. Mira admits to being financially supported and spoilt by her parents even when she is already employed. Mira's father pays for the luxury apartment she lives in which cost about BND$1000 monthly so she does not have to commute daily from her parents' home which is about 100km away from her workplace. Her father has supplied her with a supplementary platinum card for her to use but she repays after every use. When it comes to transactions beyond BND$500, she pays her father in instalments which are interest free. Her father's financial support minimises her monthly financial commitments, especially finance charges from banks. Furthermore, on record, she has no financial commitments with any banks as she has access to her father's financial products and network.

All the informal family financing discussed in this section demonstrates that family relationships and assistance certainly influence consumer's access to formal financing and their integration to the financial circuit or network. As noted in Mira's case, access to informal borrowing in particular borrowing from family, is not formally documented in the consumer's financial records. Thus, examining consumer's formal financial records alone would not always provide a clear impression or manifestation of consumers' level of financial obligation and debts for banks or even governments. As a result, when these consumers, particularly Siyah and Mira access formal financial networks such as applying for loans and credits, they would be given better credit limits as opposed to a consumer who has similar amounts of debts but borrows from formal lending institutions. This is because on formal record Siyah and Mira do not have any liabilities.

Family financial assistance does not only involve borrowing from older members of the family. It could also include borrowing from younger family members. Bal has borrowed money from her younger brother a few times because he has no financial responsibilities such as a family of his own and could save:

> I borrow from my brother when I need to… sometimes in the hundreds … sometimes in the thousands. I do pay him back of course in installments. It's a mixture really of what I spend the money on… sometimes it's to pay my debts… other times is to pay for my car repairs… my tickets. He does ask what the money is for…eventually he'll lend it to me because he trusts me…because I pay him every cent…without interest of course... hahaha! I borrow from him because he is single and has no other commitments and he saves money. He is frugal when it comes to spending and manages his money better than I do. I usually go to him when I am desperate for money especially when I have maxed out my loans, credit cards… I turn to him.
> (Bal, 31, Professional)

As noted earlier, Bal is a single mother and is financially responsible for her children. She borrows and depends on her brother because she is much closer to her younger brother than her other siblings. Moi (30, Army Officer) on the other hand, moans about not being able to save monthly because her parents often ask for money despite already having given them some. Moi states she never asks for the money back simply because "sometimes you just can't say no to them...it's your responsibility as children to give back to your parents."

According to a few of the Bruneians interviewed who lend money to their parents or other older family members for their car repairs, purchase of spare parts for their cars or travels abroad and expenses for the home, often these Bruneians do not pressure their family to pay them back and say that "if they remember, they remember", "if they'll pay, they will pay… but if they don't, then its okay too, because they are family". They argue that the money they earn is to be shared with the family especially parents. Some informants even give discounts to the amount their family has to pay back, especially when the borrower is going through financial hardship.

In contrast, a handful of Bruneians interviewed frequently turn to their family or friends for financial help to pay for their monthly needs a week before pay day. These informants do not plan ahead to make ends meet to be financially capable as argued by Atkinson et al. (2007). Thus, they cannot voluntarily save money aside from contributing towards their TAP. These consumers often exhaust their finances including monthly income and their credit or loan limits. They are usually the main breadwinners but have insufficient amounts to pay for their groceries and day-to-day food or petrol to take their kids to school prior to pay day. Only one informant has exhausted his finance and borrows from his siblings at the end of every month for his everyday consumption because most of his finances are paid towards his wedding preparations.

Much of what has been discussed in this section reinforces du Gay et al.'s (1997) description of intermediaries as social agents that influence consumer's demand and supply in this case, financial demand and supply. This section shows that the family influences the supply of finance supplied by banks. The family also influences consumer's demand for formal financing by supplying the consumer with alternative and cheaper lending. The family also enables informants more access to finance, especially to those who have exhausted their finances. In any case, social cultural intermediaries in Brunei's financial circuit depict a different kind of financial culture where government and family are important especially after 2005, in contrast to Anglo-American financial culture and its dependence on formal borrowing particularly sub-prime mortgages. This section stresses the importance of geographical differences and distinct processes that occur within these geographies based on different cultures and regulation. Similarly, Mckinnon and Schroeder (2006) reiterate geographical differences and cultural practices within Europe itself, as they show that financial culture in East Europe is marked by the importance of family.

Certainly, greater access to credit and loans have led to higher freedom for consumers to practice greater materialism and consumption (Manning, 2000; Schor, 2002) whether they are formal or informal sources of credit or loans. Nevertheless, not all consumers borrow to feed their spending spree on the high streets and leisure. Some borrow to maintain or facilitate the consumers' and particularly their family's lifestyle and standard of living, especially in an urban landscape where costs of living are constantly increasing (Montgomerie, 2009; Schor, 2002). Reasons behind the high materialism and consumption funded by their monthly income and borrowings are explored in further detail in the next chapter. Supporting Manning's (2000), Medina's and Chak's (1998) and Montgomerie's (2009) assertion, my findings suggest that consumers believe that loans and credit are new forms of necessity, especially for urban dwellers where materialism and the cost of living are high. Additionally, identifying needs and luxuries would greatly help consumers to manage their finances (Lachance and Bernier, 2004) as different consumers could have different definitions depending on their lifestyles as is discussed in chapter six.

The subsequent section discusses another important issue that affects consumer finance culture. Saving, including investment activity, is an important feature of financialisation, yet is not as popular as borrowing amongst the consumers interviewed.

5.6 Access to Savings and Investments

Savings are a means for consumers to plan ahead by minimising any unexpected or expected future costs (Atkinson et al., 2007). How much a consumer allocates for their monthly savings from their income will affect their monthly spending power. Nevertheless, as emphasised in this chapter already, in Brunei, social and cultural networks or relationships also influence consumer financial culture including savings. This section examines Bruneian's access to savings including investment and factors that shape their saving culture.

More than half of Brunei informants save less than 20% of their income while about 1/5 of consumers do not save at all. 5 consumers have the highest monthly savings which is about 50% of their income. The informants interviewed divide their savings into long term and short term. They define short term savings to be money kept aside but used by the end of the month while waiting for the next payday to pay for their everyday necessities. Some informants define short term savings to be money kept aside to be used within the year such as to pay for car insurance and road tax, their annual holidays abroad, the purchase of gadgets and accessories including high end bags or clothes, car deposits and to pay for part of their wedding costs. On the contrary, long term savings are defined by informants as savings for more than a year without any time limit. They are usually deposited into a separate savings account from where their income is paid into. Some see investments such as insurance as long term savings. According to the Bruneians interviewed, long term savings are for long term security such as retirement, house purchase or building and any unexpected medical costs which would not be paid for or subsidised by the government. Even informants with no intention of getting married any time soon have included marriage expenses as part of their long term savings plan.

Interestingly, more than 2/3 of the Bruneians interviewed have long term savings which demonstrate their concerns regarding future financial security and planning. 1/3 of the total consumers with long term savings opt to deposit their savings into a separate long term savings account as a means of separating their long term wealth growth with money they are allowed to spend. By having separate accounts they can better manage and control their access to their savings. Other strategies informants utilise to discipline themselves to save monthly are by investments as well as insurance, which accumulate cash or dividends to consumers after a certain period:

> I have a long term savings which is my investment. I've been investing $200 a month for the past 7 years already and any profit I make from this investment will be left and re-invested…mmm… I don't take the profit out to spend cos taking money out will be a hassle; it takes a few weeks to clear and paid to me…which is a good thing…it de-motivates me to take money out. If it was easier to withdraw money, I don't think I can save.
>
> (Eda, 27, Customer Service Worker)

From the interview, about 1/4 of Bruneians invest in monthly insurance payment, 1/8 invest part of their money into purchase of stocks or shares or foreign exchange trading, while the least popular form of wealth growth is depositing part of their long term savings into a fixed deposit account. 3 consumers who are great friends have 3 different types of insurance each and spend almost a third of their monthly income on their monthly insurance payment.

Often consumers who opt to save in separate savings account have their income deposited in conventional banks and savings account in Islamic institutions. Reasons for this is that firstly, consumers believe Islamic banks offer better savings rates than conventional banks. This is mainly true with fixed deposit accounts. Financial officers believe that conventional banks prefer to have lower interest rates for savings because if we examine the breakdown of financing in banks, a large proportion is deposits. Therefore, having too many savings or deposits could be expensive for banks. The financial principles of Islamic banks are different whereby interest and profits are forbidden[45] (Pollard and Samers, 2007). In addition, Islamic banks manage consumers' annual *Zakat* payment for them. *Zakat* involves the annual deduction of a small portion (according to Syariah calculations) from a consumer's savings which goes to the poor and needy as required by Islam. Lastly, according to those interviewed, having a savings account in Islamic institutions is difficult to access compared to conventional banks thus making disciplining themselves easier:

> I chose to save in TAIB because it is difficult to withdraw money from that account mainly because I have not asked for an ATM card from the bank and you don't find their ATM machines everywhere as HSBC, BIBD and SCB banks. I must confess I am not saving much from this account because

[45] Islamic banks dividends are based on the price of gold.

> I withdraw especially in times of emergency like when I need to pay for my tyres or travels.
>
> (Bal, 31, Professional)

Compared to Islamic institutions, Brunei informants find it easier to access their accounts from conventional banks because of their efficient Internet banking services and the vast number of conventional cash point machines available in Brunei:

> I do have a savings account separate from my current account but I usually take money out from my savings on a monthly basis…. My savings are at HSBC and my income goes into TAIB. It is hard for me to save and not to disturb my savings because I actually have an ATM card for my savings account in HSBC and as you know HSBC's ATMs can be found all over Brunei…so it's easier for me to withdraw money out from my savings than from my current account because TAIB ATMs are not found everywhere. I keep telling myself I'll pay back into my savings account which sometimes I don't really do because going to TAIB is a little bit of a hassle because again the bank is not everywhere as it is with HSBC or SCB.
>
> (Mimi, 26, Government Officer)

These consumers have standing order from their banks to direct debit the amount they want monthly to be transferred into their separate savings accounts. They argue that by doing this they avoid the hassle of going to the banks or most of the time just delay going to the banks and eventually forget to do it. The other argument relating to limiting access to their savings by using Islamic bank accounts was that these consumers choose not to have a cash card or ATM card issued to them because of the hassle of going to the bank during banking hours which often are their working hours and waiting in the long queue to withdraw money. Bal (31, Professional) on the other hand, has a long term savings in a separate account often dips into her long term savings at the end of the month for necessities such as groceries, especially after she became the sole provider for her children. This confirms Atkinson et al.'s (2007) argument that consumers with family issues such as single parents often find it difficult to plan ahead. The majority of consumers who have a separate long term savings account often leave balances of their income after spending from the same account and call it their short term savings.

The other option for saving in Brunei is the Bruneian way of informal saving called *Tarik Gaji* which is often short term:

> …it's a short term savings …our collection is $100 per person… amongst 12 people from my workplace and I receive it usually in October. This

> money usually helps me pay for my Eid Mubarak expenses or…you know… my holiday in December.
>
> (Mila, 25, Teacher)

Tarik gaji often involves a group of 5 or more people who are colleagues, family and relatives. They collect an equal amount monthly as agreed by everyone and give the total amount collected for the month to one of the member to use. The receiver of the *Tarik Gaji* amount changes every month according to name order as agreed by the group. Again, this social cultural practice is a form of intermediary affecting the financial circuit or system of consumers (du Gay et al., 1997; Lee, 2002).

Meanwhile, others interviewed who do not save explain that they leave it to the government to do it for them. The government's TAP or Employee Trust Fund programme is compulsory saving imposed on every employed consumer. Here, before paying the consumers' monthly income into their bank accounts, employers deduct at least 5% off the consumers' monthly income to be entered into the employer's trust fund together with the other compulsory 5% contribution from the employees' as enforced by the government. Money from the trust fund could only be withdrawn once retired or for home improvements. The Bruneians interviewed who depend on ETF solely for savings are usually heavily indebted due to social obligations such as being single parents, main or sole breadwinner and even those who are spending for wedding expenses. These consumers barely have enough money to make ends meet monthly.

Johnson and Sherraden (2007) and Kempson and Whyley (1999) argue that consumers who do not plan ahead are often from lower income groups who as children were "unbanked" and never exposed to any form of financial products by their parents. However, Amar (28, Freelance Mechanic) do not have any savings at all, including ETF because he works freelance. Yet, he comes from a middle income family where both parents are respectable retired government officers and had opened a savings account for Amar and deposited money into his savings account during his childhood. After graduating from college with a diploma in Business Studies, he has only managed to be a freelance mechanic with unstable monthly earnings[46]and used up his childhood savings. Though his parents have stopped giving him money, he still lives with his parents and eats at home without being expected to

[46] Sometimes Amar earns BND$1000 maximum while other months he barely has anything to spend on when there are no customers at the workshop.

contribute to the monthly household expenses because he barely has enough to spend for himself. Amar, is excluded from formal lending because of his occupation and income while at the same time voluntarily excludes himself from accessing any finances such as leaving his savings account dormant.

All the senior bank officers interviewed explain that the reason for poor levels of savings in Brunei depends mostly on the age of the consumers. Their assertions substantiate Atkinson et al. (2007) arguments that savings often increase with income and age. According to all the Brunei senior bankers, young working consumers who are single and recently employed often have different sets of priorities and financial plans. Their priority leans more heavily towards borrowing than saving:

> Looking at consumer life stages, one's consumption changes with age. Those between the ages of 20 to maybe about 30 will think about leisure and pleasure so they go for expensive cars, jet skies, Armani jeans, trendy gadgets, holidays abroad and shopping as well as marriage. Like I did! Then as you reach about 35 or 40 you start thinking about getting a house, or your children's education and needs.
>
> (Senior Bank Manager 4, 2008)

Another reason for the lower savings culture in Brunei relates to "representation" (du Gay et al., 1997) during my interviews, informants admitted that they are less exposed to information on financial product and services that deal with wealth management and growth:

> We don't usually advertise or call on young consumers for financial investment talks because we noticed a trend that whenever we have a talk or a road show on wealth management or investment, young consumers seem interested at first but we don't usually get much response or action to actually invest their money because they are at a stage where consumption is more important. So we normally target older consumers, because they are more serious about investing their money, they have the money to invest unlike young consumers. Young consumers use their income for spending and they don't have much to spare for investments. Older consumers have money to spare because they either have paid their debts off, earn a larger income than most of the younger consumers or because they have their pension money or *baksis*[47] to use for investing. Young consumers just have too much social commitment that involves a lot of spending.
>
> (Senior Bank Manager 1, 2008)

Furthermore, a few FID officers blame consumer ignorance as a reason for low investment. They stress that it only takes consumers to just walk into the bank and ask.

[47] Malay for gratuity.

Most of the interviewees do not know anything about investing and a few are sceptics as well as too cautious about investments thus self-excluding themselves from financial products. Many informants still prefer to open a savings account or a fixed deposit account. Some do not want to invest in products which are *haram* or forbidden in Islam. Examples of *haram* investments include the alcohol industry, pig farming and securitisation (see Pollard and Samers, 2007). Others who are interested often ask family and relatives before they have the courage to go to the bank themselves. In fact, after my interviews, I was often asked about the financial health of their finances, what best to do with their surplus money and if I knew of any good investment products. When asked why they had not gone to the bank to research products available that may suit them, the majority of them replied "I don't dare ask", "too lazy" or "I don't have the time to go to the bank" or "I don't like going to the bank". Even physical access to banks was highlighted as a problem by the Bruneians interviewed. Factors such as parking spaces and congestion could hinder or prevent consumers from going into banks to meet with financial planners. They also argue that financial institutions do not market their wealth growth products as much as they do with borrowing products. This clearly indicates that suppliers "representation" (du Gay et al., 1997) of wealth growth in the financial system is not as aggressive as their borrowing products.

Atkinson et al. (2007) also argue that young consumers are often living for the day and delay thinking about the future. Haji (30, IT Officer) supported this notion when he revealed that he did not save and preferred living life fully like there was no tomorrow. However, when one of his family members passed away, he did not have savings to pay for the funeral costs and the nightly *tahlil*[48]ceremony which mainly involved cash payments. Thus, from then on, he has started to save BND$200 to 500 monthly for any emergencies. Furthermore, my findings support Senior Bank Officers 1 and 2's claim regarding changing priorities and finance use over time. Often the financial plans of consumers who have been working for more than 5 years include wedding expenses (for those who are still single) and financial security including owning a house, children's education and welfare as well as life after retirement. Recently employed informants often have a wish list which they came up

[48] This is an Islamic ceremony where Muslims congregate, especially family and friends for prayers for the deceased followed by dinner to feed the guests. This ceremony usually involves paying in cash including to the caterers. See chapter 6 for further elaboration in culture influencing consumption.

with since high school to fulfil such as for enjoyment, car, gadgets, new clothes and accessories.

The Bruneians' way of financing in terms of wealth growth differs from Anglo-Americans' financial culture as described by Christophers (2009), Langley (2008) and Lee et al. (2009). Anglo-Americans according to them have shifted from a savings culture to a more investment culture aside from a borrowing culture. From my interviews, the Bruneian financial culture remain spendthrift through their borrowing culture but, there is an indication that consumers are slowly becoming aware of the importance of financial management and planning ahead especially after the financial reform in 2005, the change from pension scheme to TAP or ETF and the increasing global oil prices that have affected the cost of living of Bruneians. Informants are trying to save more and are looking for other alternatives to earning more money including investing monthly into unit trusts and insurance which are also monitored by the government.

This section discusses another side of financial culture i.e. wealth growth that involves planning ahead. Western scholars that have studied Anglo-American societies finances such as Christophers (2009), French et al. (forthcoming), Langley (2008), Lee et al. (2009) and Pike and Pollard (2010) demonstrate how planning ahead and wealth growth which are quite different from those in Brunei. Investment such as securitisation is a common practice among Anglo-American consumers who have surplus money to invest. In Brunei, the consumers' level of planning ahead is influenced by age as well as social and cultural values including religion and family.

5.7 Conclusions

This chapter represents a transition from exploring macro-level financial structural changes and government regulations towards a micro/meso level. I have examined consumers' financial access and consumer finance culture through my interviews with Bruneians. Here I reiterate Lee (2002), Lee et al. (2009), Langley (2008) and Pike and Pollard's (2010) arguments regarding the significance and the need to examine consumers' relationship with political, social and cultural networks that influence not just the finance supply or structure but also consumers' access (demand) to finance, their usage and management.

My findings concur with Atkinson et al.'s (2007) arguments that high education attainment, income and keeping abreast with financial knowledge influence consumers' financial accessibility and the capability to manage their finances. Results from my interviews also agree with Lim's and Teo's (1997) assertion that consumers' experiences, as well as Hibbert et al.'s (2004) emphasis on the significance of family for financial assistance and advice based on family members' experiences also plays a significant role in shaping the consumers financial access and capability. Brunei informants' ability to select and access financial products depend on economic and social cultural factors. Firstly, restrictions on personal loan limits by the government have certainly altered personal financing of Bruneians, similar to transitions shown in general patterns of lending revealed in government statistics in chapter four. In this chapter, I have highlighted how Bruneians interviewed overcome financial reform through accessing other forms of lending such as car loans and revolving credit or loans to facilitate their consumption culture.

My findings also suggest that it would be unfair to solely blame the high consumer indebtedness onto the financial structure alone as done by Ritzer (1995). Despite the banks' responsibility to financial exclude consumers from certain financial products according to their income and occupation, I have demonstrated that the Bruneians interviewed too have agency and a choice in accessing or excluding themselves from financial products offered. Finance culture and access of Bruneians are also highly shaped by other social and cultural practices led by the family and the government. Hence, regulating and changing the formal financial structure alone is insufficient without altering or understanding the individuals' social relations with their cultural institutions (Baker and Jimerson, 1992) or cultural intermediaries (du Gay et al., 1997).

Chapter five examines shifting finance culture and shows its links with consumption patterns within Brunei. This chapter provides insights into the development of finance systems and the government's continuous role in influencing personal finance. However, understanding personal choices, cultural and social intermediaries are also important elements that should be considered when studying Brunei's evolving finance culture as well as when developing financial regulations. The subsequent chapter examines social and cultural factors that stimulate consumption and functions of commodities consumed that inevitably influence and put pressure on Bruneians' finances in more detail.

Chapter 6

6. Everyday Consumption in Brunei Darussalam

6.1 Introduction

Despite Brunei's highly regulated financial structure, financial institutions continue to compete with each other to market their products to consumers in order to exploit Bruneians' dependency on borrowing for consumption (Oxford Business Group, 2008). Brunei informants have shown that, like most Western communities, they depend on borrowing to maintain and improve their urban lifestyle (Langley, 2008; Lehtonen, 2007; Montgomerie, 2009; Schor, 2002). Chapters four and five demonstrated that, regulating and reforming formal financial structure alone without considering consumers' social and cultural practices is insufficient in overcoming debt problems in Brunei. Understanding social and cultural influences on the consumers' demand for borrowing and materialism are also important (see Baker and Jimerson, 1992; Langley, 2008; Lee, 2002; Lee et al., 2009; Pike and Pollard, 2010). In order to reveal some of the reasons behind high materialism, this chapter moves from financial supply and access to focus on consumption culture in Brunei.

In the previous chapter, I highlighted Bruneians' finance culture and showed how the family influences Bruneians' access and use of finances. Similarly, in this chapter I will demonstrate the importance of the family in Bruneians' everyday consumption, therefore agreeing with the argument du Gay et al. (1997), Jayne (2006), Mansvelt (2005) and Sassatelli (2007) that consumption involves individual's relationships, interactions and practices with objects and social intermediaries such as the family. Jayne (2006) emphasises the importance of culture, social and traditions in shaping structures and consumption in urban areas.

Many geographers have examined different spaces of consumption (Goss, 1999; Mansvelt, 2005; Redfern, 2003; Wrigley and Lowe, 1999). Brunei Darussalam has a complex consumption culture created by a process of blending individual and collective consumption as they cross cut different spatial scales. Despite the generalising of North Americans and Europeans as having individualistic consumption patterns (Featherstone, 1991; Hebdige, 1979; Mansvelt, 2005) and stereotyping East Asian countries as having collective consumption (Wong and

Ahuvia, 1998), this chapter reveals the difficulty of boxing or dichotomising Bruneians' everyday consumption culture into either individual or collective culture. This is because Brunei represents a mix of both cultures due to Bruneians' interaction, practices and relationships with 'cultural intermediaries' such as family and traditions (du Gay et al., 1997). Although traditions such as wedding and annual holidays abroad are seen as 'big events' nevertheless they affect consumers' everyday finances. I begin this chapter by examining everyday consumption and meanings attached to the consumption of goods. The importance of collectivism in informants' consumption patterns which inevitably affects their everyday finances is also discussed. To clearly illustrate this complex combination of individual and collective consumption I have subdivided this chapter into: home, work and friends, and traditions.

6.2 Everyday Consumption and Conflict in Meanings

Unlike economists, geographers look beyond the use value of commodities to understand the symbolic value of commodities that narrate a consumer's identity (Bocock, 1993; Bourdieu; 1984; du Gay et al., 1997; Goss, 1999; Mansvelt, 2000). Related to use values, du Gay et al. (1997) identify "false needs" whilst Schor (2002) coins the term "the new essential" as goods produced by producers are advertised to consumers as commodities necessary for today's society. Moreover, meanings attached to objects by consumers are often socially constructed and vary across different societies[49] thus what is considered a need can differ across cultures (du Gay et al., 1997; Sassateli, 2007).

As highlighted in section 2.5.2, there are multiple and conflicting meanings attached to inconspicuous consumption. Social researchers such as Gronow and Warde (2001) and Jayne (2006) identify inconspicuous consumption to be the main consumption at home away from outsiders' view. Others such as Smith (2007), have contradicted this by adding conspicuous consumption exists at home and that consumers' do not only buy mundane and ordinary goods for the home but also high end commodities to fit their lifestyle and status. Due to the conflicts in meanings regarding inconspicuous consumption, for the purpose of this research I used the term 'everyday consumption' as I found it to be more fitting. This is because, as we

[49] Social differentiation involves conspicuous consumption which is an index of social status (du Gay et al. , 1997)

will see below, different informants have different definitions of what is luxury and what is ordinary depending on the lifestyle and social practices of the informants. I define everyday consumption as what is familiar, ordinary and consumed on a daily basis by the informant.

The meaning of necessities and luxuries are subjective and highly dependent on family status and lifestyle as well as the informants' income. All informants are in the agreement that monthly household expenditures includes utilities, shelter, food, clothing and even cars in Brunei's car centred society. The conflict in meanings and functions come when informants start choosing brands for the clothes, cars and food they consume on a daily basis. Consumers who earn low incomes, especially those below BND$1500 and come from lower income families consider brands such as Adidas and Nike or drinking and dining at cafes as luxury:

> I like Nike because of the quality and what it stands for. Yes I am influenced by adverts and if you have famous people wearing it…you want to wear it too because they bring class to the brand. I can't afford some of the things from Nike usually I just wait till I can afford them. ...I like going out drinking with my friends at cafes but it's mostly just a drink because drinking in cafes is expensive. Once a week I do dine out in high end places like Fratini or Coffeezone[50].
>
> (Ani, 30, Police)

Similarly, Dipa who has been experiencing financial difficulties, due to high debt levels and insufficient income, identifies dining out with the family to Kentucky Fried Chicken (KFC) as a luxury. On the other hand, middle income consumers see eating in KFC as common and wearing Nike and Adidas as sports apparels or pyjamas rather than clothing for special social occasions or gatherings.

Zan (29, Retail Manager) earns a middle income salary and comes from an upper middle income family background. His parents have bought him designer goods from a young age. Zan asserts that he is already "immune" to brand names because they have become his every day consumption at home or in public and sees these as mundane and nothing extraordinary, yet to others they are conspicuous and extravagant.

> If people know you come from a wealthy family, I guess that's enough, no point re-emphasising that fact some more with very "in your face" labels. I do wear branded clothes but not for the purpose of showing off. Like how the lower income feels about buying Giordano as everyday use, that is how I see the brands that I buy. They're my everyday casual wear. I love casual

[50] Fratini and Coffeezone are pricey cafes where many young professional and well off customers socialise while consuming international coffees and cakes.

> wear with minimal brand logo. I don't want to feel like a poklan[51]! Hahaha. My girlfriend usually buys my clothes for me or when we go out she sees something which looks nice on me and I'll pay for it. …It can be AIX, Boss, Zara, and Raulph Lauren Polos. I buy clothes to conform to my social class I guess…as well as for self satisfaction like cos they look good on me. I wear clothes which does not embarrass my family, something that reflects their identity and take care of their image. Sometimes I do get clothes from Brunei, but seeing that there isn't much brands around and that I don't really care what brand names they are as long as I like the cutting of the pants and working shirts, I'll even go get them for the price of between $20-40 per top or pants. Again as long as the brand logo are not too obvious. I think once people see your watch, that's an enough indication of who you are.

Zan is selective about his watches and has bought limited edition watches such as Swatch, Tag Heuer, Tissot and Rolex. He collects these watches as a hobby and as an investment because watches do not depreciate in value as much as branded clothes or electronics do. Zan admits to using both his savings and credit cards to pay for his clothes and especially his annual purchase of designer watches overseas.

Like Zan, there are other middle income consumers who prefer the "low profile" look by purchasing designers with less conspicuous logos. Abdul (33, Consultant) has a different style and consumption when going out depending on with who and for what occasion:

> For me it's a bit of both, its pressure from my family to buy things and also peer pressure to be updated for my own personal things like gadgets, cars, etc. but at the end of the day it is about living a lifestyle which is better than what you already have. Everyone wants to move up the social ladder don't they? When it comes to function with the family, mom usually makes sure we dress up well. Because we know those sorts of function are filled with relatives who are also wearing their best clothes so we have to. Mom always complains about not embarrassing my dad's name and position. He is someone in society and gets good seats at special occasions and state functions. ... I guess it depends on which friends too, if it were friends that are so brand conscious then I will wear my good clothes with good brands, if I'm out with my friends who don't care much about names, I come all relaxed like a surfer…hahaha. But I like wearing something lower key like my polos and jeans or ¾ pants and flip flops… they're branded but attracts less attention than someone wearing really smart clothing with those big printed ponies on their chest…hahaha. Most of my friends like coming in with their jeans, t-shirts and flip flops. I notice that the lower income groups would prefer to dress conspicuously than people with higher income. I like to dress up like an average Joe…hahaha rather than dressing up like someone in a Dunhill advert all proper and posh. Plus you would not want to attract gold diggers right?

[51] Poklan is a subculture in Brunei and is a pejorative term commonly used to describe a group of young stereotypical teens who are seemingly low educated, converse and write aggravatingly with a bad taste in fashion (//en.wikipedia.org/wiki/Poklen).

Holloway and Hones (2007) argue that objects are double coded whereby they can be mundane and extraordinary simultaneously. They assert that a commodity can be “invisible” i.e. banal or mundane to those who do not recognise the trademarks or labels of the commodity but for consumers who are fans of branded commodity or brand-knowledgeable that commodity therefore becomes visible and extraordinary to the consumers. For example, informants who knew about Prada immediately identified Prada’s trademark through the visible red strap on their products.

Similar to the arguments regarding Muji brand and products studied by Hollaway and Hones (2007), though to Abdul, Alai and Zan, their everyday consumption of designer apparel are mundane to themselves and they often choose to wear less conspicuous designer logos to blend in with the masses but their attempts to do so usually fail as other consumers can immediately identify the high status brands they wear:

> I have a friend who wears high end brands like for casual, it has always been part of her life…I guess she has been brought up with brands anyways because she comes from a quite well off family. I on the other hand, come from a quite financially restricted family so we’re not used to high end brands. We know about these brands from friends and magazine... the more I spend time with my middle class friend, the more I am tempted to buy a high end bag or two. It’s because what the brand represents aside from the quality. If you have it just represents you can afford because you are successful…mind you my friend is successful…very yuppie like… she just represents sophistication and success and I want that image too.
>
> (Ezah, 25, Tutor)

The majority of consumers who buy designer labels use their credit cards, especially while on holiday abroad. However, as noted in section 5.3.1, savers and convenience credit users usually opt for mid range brands except when it came to cars and gadgets. Siyah for instance preferred purchasing hand bags known to the region, such as Guess and Carlo Rino which are mid range brands compared to the likes of Prada, Louis Vuitton or Fendi products prefers by the revolving credit users with lower monthly savings in Brunei such as Aybe, Alai, Umi, Bal, Rozy as well as Amal who earns a lower income but comes from an affluent family. Majid is a convenience credit user and investor who prefers average mid range brands and is a bargain hunter. He buys second hand but quality golf clubs, whereas most of his colleagues who are also middle income earners prefer to buy the latest designer golf clubs and clothes. Convenience credit users interviewed argue that certain things are worth spending a lot of money on - like a car, room renovation and gadgets but not fashion because they are not sustaining.

Brunei informants consider Zara, Top Man or Miss Selfridges as middle class brands because these brands are not available in Brunei and can only be bought overseas while brands such as Giordano are considered for the masses or lower income standard mainly because they are very cheap and found in many of the chain stores in Brunei. Authentic high end luxurious goods are usually purchased abroad and not widely sold in retail stores in Brunei. Often Bruneians who have access to international brands or designers are middle income and above consumers who travel abroad, with a small portion of consumers who order from friends who go abroad and/or through online shopping (refer section 6.5).

This section examines how meanings attached to consumers' everyday consumption vary according to consumer family lifestyle and their income. The meanings and function of goods consumed are subjective and cannot be as easily dichotomised as most scholars in consumption have done. Here, issues related to access to brands are also discussed whereby Bruneians with lower income may be excluded from consuming such brands or designers because they have limited access geographically and financially. This is similar to Miller (2010) who stresses that meanings attached to a brand name such as IKEA vary over different geographies whereby someone in London may view IKEA as minimalist and cheap while someone from a different place views IKEA as a respectable brand that carries higher social status.

Unlike some of the claims of Western scholars (Gronow and Warde, 2001; Smith, 2007), definitions of extraordinary and luxurious consumption in Brunei vary depending on the consumers' social status and lifestyle. In addition, for most Bruneians, reasons for consumption show a combination of social and use value and a mix between individual self-satisfaction and collectivism.

6.3 Home

Valentine (1999, p. 492) argues that the home offers perhaps one of the most intriguing environments between people and goods because it involves individual as well as collective consumption. According to Valentine (1999, p. 492), understanding how goods become incorporated into people's everyday lives can shed some light on the social context of consumption and on the situated daily practices of individual and household identity formation and identity crisis. The home is the most complex setting where daily consumption of both commodities and cultural goods takes place (Sassatelli, 2007). The home often displays class aspirations and how it shapes consumption (Crewe, 2000; Jayne, 2006; Miller, 2010; Sassatelli, 2007; Valentine, 1999).

My discussions surrounding the home examine consumers' relationships with the family which affect Bruneians' consumption pattern and reveal how this has an impact on Bruneians' everyday finances. Unlike many Western societies, consumption at home in Brunei does not involve individualistic and self-independent concepts that focus centrally on hedonistic experiences only (Chua, 2000; Mansvelt, 2005; Wong and Ahuvia, 1998). Consumption involving the home often involves a combination of individualistic and more predominantly on collectivist consumption (Chua, 2000).

6.3.1 Family Obligations

According to Mansvelt (2005, p.17), although consumption has often been portrayed as self-centred, narcissistic and individualistic, geographers and anthropologists have demonstrated the sociality and the ways in which individuated practices are formed in relation to others, such as in family members or work colleagues through consumption. Most Brunei informants still live with their parents in their parents' home. In Brunei, family is an important agent of primary socialisation for consumers through the nurturing of individual behaviour, belief system and develops the social identity of consumers since childhood. My findings concur with Del Casino (2009), who believes that adults in the family or home 'train children how to "shop" and participate in the reproduction of the household and leisured activities that are "not work"' (p. 227). In Brunei, families act as "cultural intermediaries" (du Gay et al., 1997) and provide access to the "cultural capital". Cultural capital includes nurturing and instilling norms practiced according to the social class or lifestyle the family belong to (Bourdieu, 1984; du Gay et al., 1997).

For most of the Bruneians interviewed, employment automatically meant taking responsibility for some of the home expenses. However, the few Brunei informants who continue to be highly dependent on their family for their everyday consumption are freelance workers with earnings below BND$300 and do not have access to formal borrowing. These informants have insufficient money to pay for their own monthly needs and do not contribute at all to the monthly household expenses.

Much of a consumers' contribution to the family or household on a monthly basis is for everyday consumption and include groceries, utility bills and parents' own expenses. Contributing monthly to household expenses and/or giving money to parents for their own consumption are a symbol of interviewed Bruneians' gratitude to their parents after all the sacrifices and assistance provided to them throughout their childhood until adulthood. Most of the Bruneians interviewed believed that providing for the family is a norm and is highly recommended in Islam. "And we have enjoined on man to be dutiful and kind to his parents" (The Quran in al-Ahqaaf 46:15). In Islam, parents have the right to be cared for by their children including getting both necessary physical and material assistance especially when children are old enough and have the provisions. This makes the family specifically parents as significant players in the Brunei consumption culture.

As demonstrated in the previous chapter sections 5.2-5.4, most of Bruneians' everyday expenses are not strictly limited to their individual use but is also used for collective consumption - for the family's use and maintaining family 'face' value (see Wong Ahuvia, 1998). Less than a third of informants' income goes to contribution to the household and this do not include credit used for the home and family. Brunei informants assert that the amount they contribute to the home is never enforced by their parents. Levels of contribution depend upon social economic background of the parents, informants' birth order, marital status and income level as well as their consultations and comparisons with other relatives who contribute to the home monthly.

Aybe (24, Ass't Bank Manager) consulted her cousins on how much they contribute monthly to their parents and grandparent so that the amount she gives conform to the rest of her close relatives. According to her, this is to avoid any comparisons between different aunties and uncles regarding monthly contribution. Bruneian informants' contributions to the household are not limited to monthly necessities such as food or utility bills. Occasionally, consumers contribute and share with other family members to pay for everyday family comforts such as the one off administrative payments for employing and getting a maid for the home, car maintenance and repairs, as well as house renovations.

Although most consumers contribute every month to the home expenses, they still prefer their parents to continue to manage the money they give them. A few Bruneians such as Alai, Madi and Dina often use their credit cards to pay for the household groceries needed while accompanied by their mothers. The majority of single middle income Bruneians who are the oldest child often bear the bulk of the household expenses. They usually contribute more than 50% of their income because often their younger siblings are still in school. According to Tina at least 50% of her monthly income is for the family:

> When I started working, I became the main breadwinner cos dad's salary was not as big as mine. I used my credit card to pay for my sister's laptop when she needed one because she got a scholarship to study abroad (to the UK). I had to look after 11 siblings and my parents… I depended heavily on the credit cards for survival…not just my survival but my family's. It's just unbelievable how the bulk of my money has been spent on food…I must say food is my weakness. I also used the credit card to replace goods needed in the house… washing machine, television…car repair…I always help my dad with the cost of repairing the old car. Basically I was revolving credit! Life was tough when I was the sole breadwinner...but now it is easier to breathe now that my sister is working. Plus it was only this May when I got a raised in income from $1600 to 2k. So you can imagine how tight it was back then. …Sometimes I find it difficult to say no to what my parents need or want… they're your parents …you try as much to get them what they need even if you think they don't really need it.
>
> (Tina, 26, IT Staff)

Tina is the oldest with a monthly income of about BND$2000. She lives with her parents who are from a lower income background. Her family experienced financial hardship throughout her childhood mainly because of her aunty. During the interview, she revealed that her father was her aunt's guarantor and took over her aunt's loan after her aunt defaulted repayments of the loan. Tina recalled how financially tight life was and they did not have luxuries and comforts her cousins had i.e. good clothes for *Eid-ul Fitr*, dining out and gadgets. She immediately started working after obtaining her diploma to help her father who had been financially supporting her family of 13 people. Once employed, she is able to occasionally pamper her family. Due to family financial hardship, Tina relies heavily on borrowing to facilitate her and her family's livelihood. Tina defines her luxuries as dining out with her boyfriend and books bought for her personal leisure reading.

Tina's younger sister, Fetty (25, Teacher) feels that she contributes about 70% of her income towards family expenses mainly because of the monthly repayments for the family van she bought for the family's use and for her father to take her to work, as she does not have a driving licence. She also pays for part of the utility bills aside from taking her family out to eat during the weekends. Tina describes Fetty's constant need to take the family out as a luxury rather than necessity. Fetty asserts that she likes to dine out with the family regardless of the costs because as a child, she and her family never got to dine out as much. Fetty has always relied on her credit cards for most of her costly meals with the family which is similar to Bell and Valentine's (1997) and Mintz's (1993) arguments that in Western societies eating has ceased to be just a means of survival but is also filled with social, cultural and symbolic meanings. Bell and Valentine (1997) assert that eating can symbolize luxury and depending on types of food consumed and it is a means of acquiring lifestyle. Bourdieu (1984) also believes that food like many other commodities of popular culture is a social position marker. Warde and Martens (2000) affirm that dining or eating out for entertainment, expression of taste and status has been a practice in Anglo American societies.

Fetty's monthly income is BND$2732 and she has access to credit cards and loans. She can afford dining and coffee with friends or family at cafes. Fetty is paying for her personal loan to pay for the house extension because she believes it is time she and some of her siblings get a room of their own. In Fetty's case, there is a shift from prudence to spendthrift with greater emphasis and spending for the family on comforts and luxury particularly when it comes to food. The change in her consumption patterns is a result of the growth in income and access to borrowing as well as influence from social groups including her competitive relatives and friends. Her act is not for self satisfaction or individualism culture but rather collective happiness and social conforming of the family with relatives and friends which is common in Asian societies (Chua, 2000; Wong and Ahuvia, 1998).

In contrast, recalling Dina's (35, single) case from chapter 5.2.2 and 5.4.2, she is the youngest in the family and lives with her mother. Dina believes that 70% of her income goes to family expenditure which includes two car loans for her parents, utilities, grocery and monthly spending money for her mother. She highlights that her credit card is used to pay for any luxuries she spends on her family such as the Sony TV and surround sound system she bought for her late father; and new carpets for her mother. After the demise of her father, Dina took over her family's commitments including pampering her mother on holidays abroad and shopping[52]. Similarly, Mila (25, Teacher) is the middle child with a well-paid job but unlike her older siblings who earn less and already have financial commitments, Mila has been responsible for the purchase of new electrical or white goods that were old and needed to be replaced for collective consumption for the household such as the freezer and fridge.

Fetty and Tina exemplify consumers altering family consumption though Tina is more concerned about meeting basic necessities including comforts rather than luxury using her income and borrowing from banks which are similar to Dipa's case[53]. In contrast, Dina sustains her and her family's standard of living by depending on her income and bank credit which is similar to middle income Anglo-American consumers' consumption patterns that depend highly on credit to maintain their existing lifestyle as highlighted by Montgomerie (2009) and Schor (2002). Equally, Honey has been giving her parents money to spend on the monthly household needs. At the same time, she is also repaying her personal loan that is used to finance the comforts at home such as high-end furniture and a 40-inch wide screen television for the living room.

Contribution to the home is not just for the parents but also for their siblings. The majority of informants give their siblings between BND$20-50 monthly for their comforts or leisure activities such as hand phone top ups, dining out and movies with friends at the mall during the weekends. Others have sacrificed a large portion of their borrowing for their siblings' future such as Shai who paid for his brother's studies abroad; Alai and Bal who paid for some of their siblings' wedding costs[54]; Lina who assumed responsibility over her younger sibling's car loan because Lina was the guarantor when her sibling defaulted several payments; Aybe who lent money to her brother to buy new gadgets; and Hajah who bought new air conditioner,

[52] Dina's sister who was living with her had been borrowing money from her to pay for her family's expenses including tuition fees for her children.
[53] For Dipa, as the sole breadwinner in his family, his lower income, consumption and use of finances had been for his family's day-to-day needs and survival. At the same time he was still paying for his personal loan used to pay for his and his wife's day-to-day expenses in Singapore while his child was sent by the government for medical treatment.
[54] Wedding expenses such as decorations for baskets and commodities (including GUCCI watch, high end Italian silks, designer shoes and bags) for the *Hantaran* ceremony.

carpets and new paint for the house using her credit cards for her sister's engagement ceremony. Honey on the other hand, registered her younger sibling as her supplementary credit card user enabled her brother to spend on his and her parents' needs or wants. She is responsible for the monthly repayments. All these debts accumulated by the informants contribute towards their everyday finances.

The Bruneians interviewed shared household expenses with other employed siblings. The weight of paying for home expenses is not just shared between single siblings but also married siblings who still live under one roof with their parents along with their own family. Isam (30, Teacher) narrated how a large portion of his income is used for the monthly needs of family, such as groceries and utilities, as well as debt repayments for his personal loan and credit cards used to finance his family's business problems and comforts requested by his parents:

> I guess the washing machine was a necessity because you don't expect mom to be washing our clothes by hand. The rest were more of a luxury than a necessity…something to make life a bit more comfortable like the air conditioner and Astro satellite. Sometimes I'll use my savings to top up the amount or collect the money from my older sister and I pay by cash… so actually the amount used up in my credit card is the things I bought for the house, my own room and for current usage. So the amount has never gone down that much. It's a little frustrating.

According to Isam, his older sister who lives with them and is still single contributes more towards the monthly expenses of the household because compared to him she earns more. Umi (29, Law Enforcement Officer) has six of her married siblings and their family living with her and her parents. All her siblings, including herself, contribute towards the home expenses but she does not know the amount her siblings' contribute as they normally hand the money directly to her 70 year old mother to manage.

Aybe earns a salary of BND$3000 on the other hand (24, Ass't Bank Manager) believes she contributes more to the household than her older brother due to the difference in income levels. Currently, Aybe mainly shares the household expenses with her mother who works as a senior government officer with a salary of about BND$6000 while her father is a retiree. Most middle income Bruneian informants suggest that their contribution to the home on a monthly basis is to maintain the constantly increasing standard and cost of living. Though these costs are shared with other family members within the household, many consumers also rely on bank credits to pay for some of their monthly contributions. This need to maintain the family's standard of living by middle income Bruneians is similar to that Schor (2002) and Montgomerie's (2009) arguments on "defensive consumption" and credit use in the US.

Although the majority of my informants are single, less than 10 are married or divorced. Most married male informants contribute more than half of their monthly income to the family. Meanwhile, married women spend only about a third of their income for household expenses. This is because of the social obligation imposed on Muslim men, where men are required to provide for the family including his wife even though she is working. Meanwhile, female divorcees with ex-husbands providing insufficient monthly allowance for their children's expenses have to spend more than 50% of their own income for their family's expenses. These women depended heavily on their borrowings especially from banks to pay for their and their children's everyday expenses.

Mel, a divorcee with two young children, earn about $1900 monthly has been spending the bulk of her income on her family which include the maid's salary, car maintenance and children's expenses including food, clothes and school fees. She is also paying for part of the household's expenses such as groceries and electricity[55]. She also gives her parents $150 and $50 monthly for her sibling's use. In addition, Mel is repaying her old monthly debt repayments which include car loan, credit cards and a personal loan which she has used up to pay for her wedding preparations, natal and post natal expenses as well as her children's things. Part of her personal loans and credit cards were also used for her and her family's expenses including airfare, hotel and other living expenses overseas during her father's medical treatment abroad. Mel's debts and divorce, have left her needing to be prudent, leaving her with the minimum to spend on herself because any surplus money is saved or spent on her children's comforts including toys or McDonald or KFC treats. To her, eating out with the family especially her kids is more of a luxury than comfort.

Likewise, Bal uses a large proportion of her income and credit to maintain her family's lifestyle before and after her divorce. Both Mel and Bal enrol their children in private schools, buy them comforts including good clothes and toys. For example, Bal bought her son a Playstation for his birthday and bought her daughter expensive dresses despite complaining about her financial hardships:

[55] She had been staying with her parents after the divorce.

> I know I shouldn't be doing it but they're my kids, I want them to be happy especially after the divorce, I don't want them to feel left behind or different from their cousins or friends[56].

Both Bal and Mel exemplify the modern consumers' need for credit card as safety net (Schor, 2002). Even though they acknowledge the costs of goods and services including education are expensive, they are prepared to borrow to maintain a good standard of living for their children even if it means sacrificing their desires. Unlike Bal, Mel's defensive consumption only involve clothes, education and food for her children and not so much about purchasing high end toys. Bal's consumption habits for her family supports Montgomerie's (2009) and Schor (2002) arguments on defensive consumption as well as Hohnen's (2007) assertion regarding mothers tending to restrict their own spending to ensure their children get what they need and want, so as to not be left out.

Then again, approximately a quarter of Bruneians interviewed including Alai, Ezah, Haji, and Honey, gave accounts of how part of their everyday finances are influenced by family or relatives outside the realm of the home:

> …I also bought a new TV for the house but that was actually my uncle's influence on me. He was selling his TV for a good price and without any thought I just bought it by cash as well. We didn't really need the TV but, I don't know I just bought it because it looks good in the living room. Nice and big for people to watch…can watch what's on telly or admire the TV…hahaha. I am easily influenced by anyone. I bought it because I just felt sorry for them like my uncle has a lot of commitments and need the extra cash and no one wanted to buy the telly off him and it is a good telly, so I just bought it.
>
> (Mila, 27, Teacher)

When examining Bruneians' consumption culture, there were different functions of consumption that were at play simultaneously (Wong and Ahuvia, 1998). Mila demonstrated the purchase of a luxury for collective use on an everyday basis for the family but could be conspicuously seen by guests, yet at the same time the purchase was done to help a relative in financial difficulty. Similarly, Alai was told about her auntie's financial hardship and her inability to pay for her son's school fees. Alai affirmed that because of family ties and to avoid disruption of her young cousin's studies, Alai decided to pay for her cousins' monthly school fees using her revolving

[56] Bal and her husband have always been used to conspicuous designer brands and lifestyle. Their family have middle class background.

personal loans. Similarly, Shai (30, Professional) considered paying for someone's education even if it meant using a loan as an investment:

> ... Maybe one day I will be rewarded for my good deeds…who knows. But I specifically don't want any of my relatives to know about me financing my cousin. I don't want them to think I am a show off or that I have a lot of money. We're all close knitted…all of us cousins and aunties and uncles meet every week during our *tahlil*[57] ceremony. So you feel for them when ever they are in need.

This chapter shows that the "home is the world of durable and affectionate relationships, where things are done for love" (Carrier, 1993, p. 56). However, in contrast to Carrier's (1993) argument that in America affectionate giving should only be within the nuclear family, Bruneians hold a different view. In Brunei affection giving goes beyond the home to extended family and relatives in need of help. This section has revealed how Bruneians' everyday finances are spent on everyday collective use of the family at home and even for relatives outside the home.

Furthermore, in comparison to Chua's (2000) arguments on Singapore consumers, Bruneians' desire to improve one's position in the social hierarchy and need to conform to social groups often involve consumerism and materialism rather than savings. The availability of credit and loans have also allowed consumers to consume well beyond their means as affirmed in chapters four and five. The next section looks at Brunei informants' own everyday consumption and identity and how the home i.e. family influence their consumption patterns.

6.3.2 Individual Consumption

When the Bruneians interviewed were asked how they spend their money after they started permanent paid employment, nearly half of consumers brought their family and friends out for a dinner treat to a nice restaurant and/or gave their parents a portion of their first salary. Only then did they start listing spending on themselves such as a car, jewellery, trendy clothes, as well as electronics and furniture for their own bedroom and the family living room or kitchen. The amount spent on family and relative treats to expensive dinner, cash or gifts did not cost as much as consumers spending for themselves. Most Bruneians interviewed confessed that during the early years of their working experience, they had often been less

[57] *Tahlil* is the prayer for those who have passed away. Often after *Tahlil*, those who attended were given small amount of money and treated to some food depending on when the *tahlil* was held. For Alai, *tahlil* was done once a week during the evening.

concerned about financial security issues such as house buying but were more concerned about luxuries for their own consumption. Splurging their first few months income is the Bruneians' way of rewarding one's self after studying and working hard i.e. a well paid job:

> You know how it is when you just started working… you just want to get all sorts of things and don't think about saving. …Errr… I bought a computer and a laptop which cost $4500, sound system for my car which cost me $1000 plus, two home theatre systems for my room…that's it.
>
> (Haji, 31, IT Officer)

This reason for consumers' spending phase re-affirms and has been asserted by bank managers interviewed as noted in chapter five page 141. This also affirms theories on consumption such as Wilk (2006, p.140) on binge consumption where he argued that consumers who are involved in binge consumption often seek instant gratification and express a desire to "spend everything, work hard and the come back for more".

Buying a car is the most popular purchase made by Bruneians because a car is a necessity, particularly in a car cultured society:

> When I just started working…first thing I wanted to get was a car really! I needed one because I was using my brother's car or sometimes dad would send me to work. Now that I am working in a different city…I really need a car to move about especially to work. Plus, my brother's car is busted and he needs his car back. I bought a lancer…cost me 32k. I love how it looks…sexy! ...and it seems like a reasonable price…especially to pay monthly!!
>
> (Arina, 30, Pharmacist)

Others argue that the car represents much more than a means of transportation to get around Brunei. For some, it is a way of avoiding conflicts or arguments about who gets to drive the family car. Although some female informants often seek their family's advice to shortlist the few best affordable cars but at the end of the day, it is up to the informant to choose the car they want. Most informants chose loans to purchase their dream cars. This is especially so for the men who bought their sports cars with powerful engines and modified body parts such as Samid and Sam.

Other spending priorities of informants for their own consumption included spending for commodities for their private domain at home i.e. their own bedrooms. It is not just those who are intending to get married who have renovated their bedroom but some of the singletons have improved their bedroom too. Siyah (31, Special Duties Officer) used part of her salary and her savings to pay for her en suite bedroom renovations:

> My other big spending were to renovate my toilet in my room…cost me about 4k.Then there was the 1k expenses which involved refurbishing my bedroom…had bought new tiles and curtains for my room actually…I see them as gifts to my self…rewarding ME! …you know for graduating…getting a job…first salary.

In contrast, the majority of Bruneians who renovated their rooms often depended on bank lending. This included using personal loans to prepare their bedroom for their wedding while consumers who did not intend to get married and only wanted to improve their rooms used credit cards. Spending for their bedroom included decorations, furniture and electronics for entertainment such as game console, new flat screen television, cinema surround system as well as air conditioner. Samid used a mixture of savings and credit card to pay for the different types of improvements needed for his bedroom:

> I spend about $7000 to pay for the renovations which included furniture and decorations. I wanted a Japanese theme to it. I used $6000 of my savings and $1000 from my CC. I bought my flat screen TV using my credit card. It's just sexy.
>
> (Samid, 27, Teacher)

All Bruneians interviewed consider their bedrooms as their private space where they can relax without the prying eyes of the rest of the family. Since being employed they are capable of paying for much of what they consume in their room such as their own choice or brands of bedroom furniture, gadgets, electronics and decors. The living room and kitchen are where much of the collective consumption and social interactions occur. Improvements towards their bedroom are equally important for their symbolic and aesthetic value. Informants argue that their bedrooms are where they "chill out" to unwind after a busy day at work. The next section examines consumers' fashion consumption for themselves or own consumption.

6.3.3 Ascribed Lifestyle

The body is a space of consumption through consuming fashion that reflects the lifestyle or identity they want to portray (Chua, 2000; Mansvelt, 2005). Spending on fashion is done gradually over time by Bruneians, especially during their tradition of annual holidays abroad. According to Shields (1992) and Mansvelt (2005), US consumption is important because the style chosen is a silent indicator of the consumers' social and professional status i.e. 'lifestyle shopping'. Bocock (1992) asserted that there is a shift from 'keeping up with the Joneses' to differentiating one's self from the Joneses. On the other hand, Chua (2000) argues that young Singaporean consumers wear similar clothing and conform to a code rather than breaking away to individual styles:

> In fashion, consumers' desire to be different is a limited desire of individualising *within* a trend. Few desire to be totally different from the others, because this would mean reducing oneself to being 'weird' rather than 'fashionable'. Fashion is necessarily a trend, which is constituted by mass participation. To be 'fashionable' is to be with the trend, with the crowd. Individuality is expressed through the way fashionable items are configured on one's own body rather than by breaking with the fashionable crowd (p.15).

Chua (1998, 2000) identifies the older generation shopping habits in Singapore to be of prudence often buying when necessary only. However, Chua wondered if the older Singaporeans would be as thrifty if they had access to financing like most young Singaporeans (1998; 2000). Half of Bruneians describe their parents as frugal, particularly parents from lower income background and have experienced financial difficulties. Informants from middle income families describe some of their parents as spendthrift. The majority of Brunei informants from middle income family background are accustomed to the ascribed lifestyle or social status practiced by their family.

Bruneians have access to and have been consuming family wealth, lifestyle and resources. Consumers such as Alai (29, Professional), Abdul (33, Consultant), Mazlan (24, Teacher) and Rini (25, IT worker) explain that they would get gifts they want from their family members and fiancé during special occasions such as birthdays, *Eid-ul Fitr*, and when family members return from holiday abroad. These gifts include designer bags and clothes, electronics and spending money. Gifts given by the Bruneian family reflect "the giver's understanding of the needs and desires of the recipient" (Carrier, 1993, p. 58). At the same time, the types of goods given are often an indication of the social status of the family he/she belongs to.

My interview findings support Chua's (2000) argument that consumption for the body is a main concern for young consumers as this type of consumption is highly visible to others. Bal (31, Professional) describes how her ex husband's choice of designers even when he did not have the money to spend partly led to her high indebtedness. According to Bal, her husband was so used to the lavish lifestyle from his family while growing up:

> My husband is so used to being pampered by his father even after we were married his father still plays a role in what things he bought like his car. ...He used to drive a 2 door BMW Z3, and when he couldn't afford to pay for the maintenance… he sold it and bought a cheaper car. …Soon after having kids, he decided to let the kids use the cheaper car while he decided to buy himself a Mercedes with the help of his father of course.

Similarly, Rini (25) and Mira (24, Education Officer) highlighted in section 5.5.2 their family's financial influence on their lifestyle in their adulthood. Zan confesses that he is used to the ascribed lifestyle that to some may be seen as lavish:

> He (Dad) does go for brand and the same goes with the rest of the family, but that is just because he can afford them and send us all to study abroad. I mean there is enough cars at home…like high end cars like Mercs, Jaguar and BMW at home for us all to use… but I would rather be my own man and be independent. If I want to use the BMW, I can just do so. … I can't just depend on dad my whole life. It's already enough that he paid for my education and I am staying at his house rent free. …My parents do spoil me with what I want when I was a child right until today.
>
> (Zan, 29, Retail Manager)

Zan argues that his choice in things was "pretty normal". Dodi (26, Sociologist) also elaborates how his parents never pressure him into spending for the home because everything needed has been bought and catered for by his parents or his older siblings including providing a BMW for him to drive to work. He also highlights his parents' role in shaping and nurturing his current lifestyle such as enjoying dining in posh restaurants. Dodi has been driving his mother's older BMW after she impulsively bought herself a new 5 series BMW.

Rozy (26, Auditor) affirms much of her consumption is a replica of her parents' choices of goods particularly her mother's love for Louis Vuitton bags and her father's love for Ralph Lauren's attire. She argues that their lifestyle is never about keeping up with the latest designer goods. It was only when her parents received their gratuity after retiring and when her eldest sister started working as a government officer that her parents started consuming designers. Their interest in designers is mainly influenced through observation from her aunties and uncles' everyday use of designers. According to Rozy, "they just wanted to keep up" because her family and relatives take notice of new designer labels anyone buys. However, sometimes she feels it is more about competing rather than keeping up with her aunts and female cousins particularly during special events such as *Eidul-Fitr* or wedding ceremonies.

Likewise, Alai (29, Professional) recalls how her family and cousins have influenced her consumption patterns:

> The brands I choose to wear ranges from mid range to slightly higher end … high street brands like Zara and Nike to LV bags…Swiss watches and Italian silks. I'm so used to these brands since being a teenager…influenced by my well off cousins of course! You just maintain the lifestyle that you are so used to and don't want to fall back especially now that you have your own salary and you can't just depend on your parents to buy you those stuff unless it's your birthday or something…

For Alai and Rozy, paid employment and access to borrowing help maintained the lifestyles they are accustomed to without depending too much on their parents or other family members. To them it is also an act of rewarding one's self after working hard for the money they earn. Most informants consider their everyday spending as moderate except when it comes to comparing them to big events such as weddings, *Eid-ul Fitr* and annual holidays abroad which will be discussed later in section 6.5. This collectivist consumption pattern is similar to most Asian communities where 'face' value is given great importance (Chua, 1998, 2000; Wong and Ahuvia, 1998).

Similarly, Amal (25, Customer Services Worker) maintains that her parents never control her spending. For Amal, her income and borrowing are usually insufficient to facilitate her consumption hence her parents fund some of her monthly needs, comforts and her designers. Her father is a businessman and is related to one of the richest families in Brunei. Her rich relatives have been giving Amal and her family gifts during the festive seasons and spending money especially for *Eid-ul Fitr* and their holiday abroad. She affirms that her parents influence most of the luxuries she consumes:

> If you were to wear something too simple to a function, they would be embarrassed because everyone is using their bling blings[58] but their children aren't. Maybe that's why they [parents] don't mind paying for us [children]. I always use what my mom has from her jewellery to her bags and head scarves. We share…so I guess that saves a lot of money?

The Bruneian informants that emulate family consumption and lifestyle also share designer goods with others. Alai, Aybe and Amal share high end designer bags and jewellery with their mothers and female siblings. Additionally, young consumers such as Rozy and her siblings influence the types of designer their parents buy. They inform and advise their parents' of new brand names or models of the brand they are

[58] Blings is an urban slang for expensive, fancy and very conspicuous jewellery

fans of. Male consumers often share cars, shoes and *kain tenunan*[59] with other male family members. My findings concur with Mansvelt (2005) and Lunt and Livingstone's (1992) arguments that the consumer's personal identity is greatly influenced and shaped by family identities.

Relating to choice of brand names, Darul (36, IT Staff) highlights that popularity and access to designers differ over time. He argues that his late father preferred older mid to high end brand names such as Dunhill, different from Darul's tastes:

> I don't think you'll be seeing me wearing anything from Dunhill unless it is funky and trendy. I mean you associate Dunhill with the older generation not mine… hahaha. I think in the past there were not a lot of high end brands to choose from for Bruneians just didn't have the means of getting or knowing other high end brands unless of course you have been outside Brunei.

He was keen on the designer names of his time such as Armani and Versace. Darul began consuming designer products while studying in the UK where he was exposed to all sorts of brands which were unavailable in Brunei. He also befriended middle to upper class Bruneian students who shaped and influenced his consumption for fashion. Darul considers himself as always maintaining the family's lifestyle which is predominately middle class but rather than consuming traditional brand names, he prefers the more popular designers consumed by his social group. Once employed, Darul maintains the lifestyle he is so used to by using his income and bank lending. However, he admits his consumption choices have altered after he was made redundant and black listed by banks for default payments. From then onwards, he has favoured high street labels and designer imitations from abroad that look like designer products.

For most of the Bruneians interviewed, parents continue to advise and influence consumers' sense of dress and behaviour. However, the majority of consumers, particular those with well paid jobs state that their parents do not influence the brands they wear but are more concerned about their behaviour in public and dressing up for their job e.g. as an officer at their workplace. Also, they need to maintain the good name of the family especially when everyone knows almost everyone else in Brunei. Most of the female informants argue that as long as

[59] It is a traditional woven golden thread material used during Malay traditional functions such as weddings and *Eid-ul Fitr*.

they dress sensibly and modestly, especially when going out, their parents would not stop them or comment on their fashion sense:

> Most of my own things like clothes and bags and other accessories are my choice, my mom plays very little role in it. My parents will only interfere if they think my clothes are too sexy to be used out in public or indecent. Or if I don't have my scarf on…maybe mom will be mad at me too. We have been brought up to wear scarves and covering up nicely when going out so to rebel would land me in big trouble. So yes in a way, when it comes to what I consume …I have to buy decent clothes and have scarves…that is conforming to my family's expectations, not just my family but also my religion. Plus as a teacher you can't dress indecently, you might bump into your students and you don't want them to think badly of you and tell the other students about it.
>
> (Tiy, 22, Teacher)

Though Tiy's consumption choices are her own she is still guided by family, cultural and work expectations. Issues relating to consumption at the workplace are discussed in section 6.3. Interestingly, none of the Bruneians interviewed ever mentioned about competitive consumption or conforming according to neighbourhood's identity. They are more concerned about conforming to social groups such as family and colleagues. This differed from Miller's (2010) argument that competitiveness within the neighbourhood has led to high levels of materialism amongst consumers and consumers are 'keeping up with the Joneses'; emulating their neighbours' consumption despite some may not know their neighbours or have never been into their neighbours' houses. The Bruneian informants' description of their consumption is closely associated with their family's consumption.

Meanwhile, Schor's (2002) notion regarding greater access to employment and lending resulting in up scaling in consumption of consumers to 'keep up with the Gateses' rather than 'keeping up with the Joneses' can be applied to Brunei. However, rather than only the individual's emulation and up scaling of consumption and lifestyle, in Brunei it involves the individual and the family's up scaling of consumption. It is also interesting that Schor (2002) used a family i.e. in this case Mr Gate's family as a role model rather than just Mr Gate himself. This section shows the fusion between individualism and collectivism in Bruneians' consumption patterns. Bruneians' consumption is a means of conforming to social groups especially family.

6.4 Work and Friends

Another important influence on Bruneians' everyday consumption, and especially their fashion and style, is their place of work. Bruneians interviewed dress according to the type of job and position they hold. Freelance mechanics interviewed prefer dressing in their t-shirts, shorts or jeans and flip flops to work because of the grease and dirt involved. Ani (29) and Sina (21) who are both working as law enforcers state that due to the nature of their work they need to blend in with the public therefore wear casual clothing such as jeans and t-shirts to remove any unwanted attention. Generally, Bruneian men working with the government or private sector wear formal shirt and tie while women wear their Malay dress or *Baju Kurung.* On the other hand, others have to wear their uniforms such as the Police, the Army and Bank staff except for Saturdays.

The majority of Bruneians interviewed are brand conscious and realise the important social symbolism attached to brand names. Dara believes (26, Sociologist) that Bruneians are addicted to brand names because they feel that they have to adhere to a certain invisible middle class standard once they have a middle income job. She argues that there is no formal criteria or norms of what constitutes being middle class. Fizah (27, Education Officer) considers brands to be important because they represent attainment and affluence although her parents bought some of her luxurious possessions such as her smart phone. For some informants, dressing up in brand names attracts attention and respect from colleagues as well as the public they interact with while at work. Aybe (24, Ass't Bank Manager) argue that being in the frontline requires you to dress up because you tend to be judged based on what you wear. Aybe explains how her teenage sense of style was rebellious compared to her yuppie cousins and her mother kept trying to change her sense of style to conform with the rest of her cousins. However, with her position at work today, she has had to change her sense of style and conform to the yuppie lifestyle:

> People do give you the respect as an officer, including my staffs that are mostly older than I am and customers won't treat you like a child anymore because of your dress sense, your choice of jewellery and how you carry yourself. I guess my cousin is right and funnily I am buying things that she would buy... I mean like proper elegant white gold jewellery, proper high heels and bags. When you dress up like a yuppie, people just take you more seriously…I guess it's like they see you as successful and can afford these things than you must be good at what you do. Sometimes if you buy a cheap phone and put it on the table, you have your colleagues or even your staff making funny remarks about your phone or bag and it makes you feel down

or embarrassed and rather conscious. People will think you are a "nobody" and don't take you seriously. This is especially when you buy fake branded goods…my colleagues like to check and so I don't like wearing my fake brands to work, I would use my higher mid range brands like Guess or Elle to work so she won't make rude comments. People in my office are brand conscious ... really need to keep up.

(Aybe, 24, Ass't Bank Manager)

Aybe insists that her current sense of style and consumption of luxury are due to peer pressure especially from her workplace, cousins and drinking buddies[60]. Like Aybe, most Bruneians interviewed admit to improving their lifestyle or identity through consumption to match their positions at work:

I actually have upgraded my brands now compared to when I was a student for obvious reasons really…because I can afford to do so. It's my money. I'll do what I like with it and buy what I want. I worked hard for it, why shouldn't experience it. When there are special functions like office dinner, I'd wear the higher end brands rather than the mid range ones. ...I bought a Pier Cardin watch; it was on sale on my way back to Brunei. I bought it because I lost my watch. …I buy for self satisfaction. That self satisfaction will obviously include the fact that I can afford these brands because I have a good salary and I am successful...plus, its trendy...haha.

(Shai, 30, Professional)

On the other hand, for Dina, her exposure to high end designers was through her friend who comes from a respectable and rich family. Her friend had been giving her gifts including cash or designer bags such as Chanel, MCM and Louis Vuitton, diamond jewellery and Italian silks during special events including birthdays or *Eid-ul Fitr*:

For me, when I attend a public function I use my high end brands because if I don't use them, I feel I don't fit in the social group. This is mainly so when I am out with my friend who is well known and respected by many. She usually is given a special table and sometimes I sit with her and what you wear and act will be scrutinized by those in the function.

Dina uses the designers given to her and those bought using her own money on a daily basis such as Louis Vuittons while bags like Chanel are kept for special occasions only. Like Dina, Madi (32, Professional) also enjoy shopping for high end designers to wear especially during formal public functions with his good friend who is also a prominent person in Brunei:

I have never worn some of my high end designer clothes …I have 5 shirts I have not used since I bought it a year ago, 2 pairs of leather shoes and a few sneakers. I just haven't found the right occasion to use them yet. Or maybe I

[60] Drinking buddies consists of friends who Bruneians often have pricey non-alcoholic drinks with at cafes and alfresco after work or during the weekends during their leisure time. Sometimes this included work colleagues, friends and cousins.

> have too many clothes already? Hahaha. I think it is the earlier reason. …I feel comfortable using branded stuff, it is satisfying and I deserve them after working hard. It's my way of pampering my self and it makes me feel good. It is also like a membership card to the "Gentlemen's club"…the upper crust because you don't want people to see you as the outcaste especially when you are going to a function where most of the attendees are the rich and important people in society. The "it" group. After all, I usually go to these functions to accompany a good friend who is someone important in society so I have to dress to impress the crowd, because most times all eye will be on my friend. People might start talking and wondering and give me funny stares if I don't dress like my friends. …so yes, I have to dress to impress in certain occasions so I have to get the designers. It makes you feel like you belong.

For most consumers, the different functions of goods are not easily classified and are not as straightforward as some scholars of consumption seem to think. Bruneian informants explain that consumption of designer goods is for both their use value and social value therefore cannot be simply dichotomised to just either use or social value. Similarly under social value of goods they argue that it is not just about conforming to social expectations i.e. collectivism (though it may be the most important reason) but also self satisfaction i.e. hedonistic values are important factors that affect their consumption. According to Madi:

> ...if you go to places like Harrods, try dressing up casually ... the salesperson won't serving you well. Try coming the next day using your high end designer goods, just carrying an LV bag will change how they treat you. So it's the same, if people see you with designers it will automatically register in their minds that this person means business and I should treat him well. Being treated well satisfies me.

Though Madi's impulsive consumption for designers may not always fall under everyday consumption, such as the few designers which he has never worn before, nevertheless, purchases of these items on an annual basis while on holiday abroad do affect the informants' everyday finances. Informants often use credit cards or loans to purchase these designers and continue to repay these debts monthly. Informants often repay their debts almost completely before the next big event when consumption level increases again such as the next annual holiday or *Eid-ul Fitr* and then they become indebted again.

Income differences do not hinder consumers from emulating the upper class or conforming to a yuppie lifestyle. Rahman (23) is a government clerk who loves buying designer products:

> I go for brand names but rather than going for the original, I make my spending a bit more affordable by purchasing the fake ones. …Aside from

> its use value which is important to me what the brands I buy represents …class…sophistication and you know it attracts attention. I go for fake Gucci, Prada, and Versace. These are good brands any many use them and they are high standard brands. ...I guess it is maintaining the standard with my friends, I do it and they do it but within friends there is a form of competition of who has the better goods.

Here, Rahman has raised various concerns including the value of goods, representation and social relationship as well as competitive consumption (Veblen, 2000). A few other informants from lower and middle income purchase imitations of designer goods because of both the use value and the prestige or biography attached to the brand. Nizam (29, Education Officer) confessed that his consumption of Raulph Lauren Polos is due to his girlfriend's influence but because they are expensive he has opted to buy the "AA" imitations[61] instead. "The reason why consumers buy a counterfeit is because it represents (albeit to a varying degree) the brand it is supposed to be copying" (Gentry et al., 2001, p. 263) and like counterfeits, these consumers also want to emulate or copy the lifestyles of the yuppie or upper class but either are not willing to pay or do not have access to sufficient finances to buy them. Zanah (26, Professional) cannot depend on her father anymore for designer clothes now that she is married and employed. She now shops for mid-range products such as MNG, New Look, Charles and Keith and Zara with less conspicuous logos but have designs similar to high end designer labels. According to Sassatelli (2007) and Schor (1998) consumers from lower class envy the lifestyles of the upper classes and often emulate their lifestyle including the brand names they consume. They would buy the same commodity or buy the cheaper versions of them (Sassateli, 2007).

6.5 Traditions Shaping Consumerism

Tradition practiced by Bruneians affect their everyday finance culture. The main traditions that are highlighted by consumers include holiday (and shopping abroad); *Eid-ul Fitr*; and wedding ceremonies. These traditions involve themes such as gift giving, functional consumption and value of goods (see Wong and Ahuvia, 1998). This section begins by discussing holidaying abroad, in particular shopping abroad, because it relates highly with the previous section on body/self, brand and

[61] Top quality imitations which were authentic but were not sold as authentic because they were faulty such as a mistake in the sewing of the leather which most often were not visible unless it was being closely examined. These imitations were usually purchased from China, Korea or Bangkok.

collectivism. Although these are annual traditions or special events and not an everyday consumption but the costs of spending for these traditions are huge and affect consumers' everyday finances. Moreover, what are bought during these events are used on a routine day to day basis.

6.5.1 Holiday Abroad

The majority of Bruneians become excessive spenders and rely heavily on credit when holidaying and shopping abroad. According to Löfgren (1999, p. 5) "A new mode of consumption was emerging, based on the idea of leaving home and work in search of new experiences, pleasure and leisure". A holiday is a type of social space in which normal rules of behaviour are deliberately relaxed and broken. Löfgren (1999, p. 281) asserts that "Vacationing has served as a laboratory for trying out new lifestyles or forms of consumption: discovering the body, improving the art of day-dreaming, exploring the possibilities of hedonism, defining the modern family, living naturally, or perfecting the art of self-reflexivity". This section demonstrates how consumption practices vary over geographies and time because the majority of Bruneians stress that they become excessive when they are abroad for their holiday.

Unlike Western consumers, who are free to choose from the variety of commodities available leaving consumers facing problems of having too much to choose from and making difficult decisions (Goss, 2006), Bruneians do not have the same problem. Informants argue that the choices of shops, commodities and brand names are quite restricted in comparison to shopping abroad such as Singapore or Malaysia. Hence, for Bruneians, consumption is not just influenced by financial access but also access to brands and commodities.

It has been reported that in 2009 alone there were one million Bruneian visits to Malaysia (Eng, 2010). The Minister of Urban Development and Tourism Sarawak reported that Bruneians spent at least BND$110 million in Sarawak, Malaysia in 2007. Sarawak is a popular tourist and shopping destination for many Bruneians and can be reached by air, water and land transport. The reasons behind their preference to shop abroad than locally are listed as follows:

i. attractive foreign exchange rates – usually for countries like Malaysia, Indonesia and Thailand;
ii. cheaper and competitive prices of goods; and
iii. more choices and better quality of goods

(Bahrum, 2009; Ghani, 2009).

Bruneians interviewed echo similar sentiments. They prefer to travel abroad during the school holidays especially at the end of the year which coincides with grand sales and discounts but most importantly when their bonuses have been paid. It is usually during these trips that consumers tend to splurge especially on themselves. Bruneians sometimes travel with friends but more so with their families i.e. parents and siblings.

The majority of them, mainly those with middle incomes, confess to maximizing the credit limits of their credit cards while abroad. For most Bruneians, spending abroad allows them to consume the lifestyle they want due to the price differences and variety of choices of brands and goods:

> I don't shop in Brunei mainly because I don't like the brands they sell here. Old brands! Nothing you can find at high street in London like Zara or Top Shop. Brunei sells a lot of my dad's brand hahaha! I go for Japanese brands too. …like my shirt, I bought them in June in Japan when I was having my conference and holiday. I spent $1000 on clothes including working clothes and casuals. I also bought a few perfumes and books for my self. I like their designs and cutting.
>
> (Shai, 30, Professional)

Informants assert that it is only when they go abroad that their consumption and use of credit peak because they become impulsive and tend to overspend, while spending in Brunei can be controlled because they feel that there is no time limit to make the purchase because of availability of the commodity in Brunei. Furthermore, in Brunei, informants believe spending is more controlled because there are very limited designers or even popular Western high street brand shops such as Zara. They argue that much of consumption in Brunei is spent on everyday things such as dining out, grocery, electronics and movies. According to informants, this then allows them to repay back some if not all of their debts from credit they use while abroad. This is a cycle for some because when informants are just about to clear their debts especially from credit cards, it is used up again or maxed for their next trip. Furthermore, half way through repayments for their trip abroad, informants have to spend on preparations for *Eid-ul Fitr* (see section 6.4.2). My findings support Desforges' (2001) argument where some British consumers do not mind spending a lot of money whilst abroad to feed their hedonistic self pleasures.

Informants' preference for shopping abroad is to avoid the potential humiliation of being spotted wearing the same clothes or accessories as other person, along with the satisfaction of being trendy and the quality of the brand:

> I like buying my shoes from abroad because I don't want to have similar shoes like many other Bruneians. Most of the young consumers here shop at similar places and the chances of having same shoes are quite high. They shop at Charles and Keith or Vinci
>
> (Sue, 27, Medical Officer)

Consumption and buying goods abroad is a fusion of social and use value. Firstly to conform to their selected subgroups i.e. yuppie lifestyle, secondly, individual satisfaction and the need of having a designers which are slightly different from their sub-group, and lastly, the use value of the commodity whereby they wanted bags or shoes that are of good quality which would not break every two months or so like some of the shoes sold in Brunei. These informants argue that bags, such as those sold under Chanel and Louis Vuitton labels, are sustainable in terms of durability, quality as well as fashion sense. They argue that the social symbolism i.e. status attached to the brand is value added.

Informants who shop abroad has a budget between BND$2000 to 5000 for the whole trip including hotel room, airline ticket, food, transportation and shopping. Shopping takes up about 50-70% of total budget and is financed by the informants' short term savings, credit cards or revolving personal loans. Female informants often plan their finances and expenses prior to travelling especially when it comes to designer bags but they allow themselves to be impulsive for mid range items as confirmed by Rozy:

> Basically I use my CC most when I go overseas. When I go off abroad I buy a mixture of brands…from mid range to high end like I buy LVs bags, Raulph Laurens clothes, M&S clothes, Clarks shoes also Hush Puppies shoes. I am not much of an impulse buyer when it comes to bags… I usually have something in mind and stick to the original plan…like for LV bags I will always surf for it on the internet first then once I arrive at the LV shop I'll just ask for the same model and just look around at what other new things they have. I'd spend about $1500 per trip for shopping alone. But for clothing or shoes, I am a little flexible…I go to the shop I usually go to like Raulph Lauren to M&S, look around and pick whatever I like…I become more of an impulse buyer then.

Some consumers including Madi research what is new in mid to high end designer fashion but impose tight budgets for their accommodation, transport and food:

> I like shopping in Japan because of the wide choices available. It is way better than Singapore, the people in Japan are more fashionable and the things there are cheaper in Japan than in Singapore. Except for the food of course, but I don't spend a lot on food anyways. Japan is big on its fashion industry and has everything you need. I don't spend a lot on food and accommodation; I'll always look for the cheaper rates but good enough places. The mid range ones and I am prepared to spend about $500 for accommodation for 3 nights in Singapore. I spend about $200 for transport,

> $100 on food and $2000 for shopping. My alert system goes off when I have reached the $1500 mark. In Japan, my red alert will be shut because of the vast choices and I usually overspend…usually more than $2000.

Madi also demonstrates how his consumption and finance culture vary depending on which cities he goes to; the more global the flow of commodity into the city, the greater the tendency to spend and maximise his credit cards. Meanwhile, informants with lower incomes usually travel to neighbouring Malaysian states because of affordable transportation costs by car or boat such as to Miri, Labuan, Limbang and sometimes Kota Kinabalu. Often consumption in these places involve less high end designers than shopping in capital cities such as Kuala Lumpur and Singapore. Budgets involved are between BND$200 to 500 which include a night or two stay at a hotel, transportation costs, food and shopping. The types of fashion goods and accessories consumed in these places are usually lower to mid range or high street brands for themselves and their family members.

The majority of consumers prefer to travel at the end of the year to take advantage of the Christmas and New Year discounts. Many use their annual end of year bonus to pay for their spending or debts accrued while abroad. Honey (36, IT Officer) confesses to using her loan top ups that she has made twice and uses her training allowance to shop and splurge abroad:

> I shop about twice a year for designers. While in-service training now I shop once in every 2 months to Bicester Village…didn't you see my facebook? I have become a fan of Bicester Village now…hahaha! While in the UK, I buy designers like Celine, Dior, Burberry, Gucci and Ferragamo. For mid range brands I go for Zara which is only about 30-40 pounds. In Singapore, I'd go for Prada, Fendi and Ferragamo. For watches I've bought Gucci and Fendi Watches which costs me a few thousands. In the UK I've bought a Burberry watch which cost me about 200 pounds and when I was in KL I bought a Tag Heuer watch. Usually I share my stuff with my younger sister…what is mine is hers and what is hers is mine except of course her husband...hahaha!

The sharing of designer clothes with family members are emphasised by Bruneians previously in section 6.2.3. Through sharing, informants can borrow their family's designers and can spend on a different designer or model which is not yet available in their collection for his/her and family's use.

While abroad, consumers mainly consume for their self and on commodities that reflect their chosen identity or subculture. However, consumers who travel with their family often pay for part of the family's expenses abroad such as hotel rooms, dining out, transportation and shopping money. This is especially so with parents and unemployed siblings. According to Alai, such costs would be shared if they are travelling with other working siblings. Other working siblings such as her brother who could not come along for most of the family holiday also gives money for some of the expenses such as travel fare while Alai pays for the hotel expenses. In any case, Bruneians spend a portion of their money on gifts for their family back home after travelling abroad. Most of the time Bruneians buy things that their family members have asked for without expecting them to repay back and treat this as a gift or souvenir from them.

Meanwhile, the cost of travelling with friends is different because the costs are divided between the travellers i.e. they "go Dutch" where each one is only responsible for the commodities or services they purchase. From my interviews, consumers shopping with friends are more concerned about friends' opinions or approval about commodities they intend to purchase for themselves thus making their travelling buddies an influential factor that shape their consumption patterns. Much of Bruneians' consumption abroad support Löfgren's (1999, p. 267) claims where motives for travel include escaping the perceived mundane environment, exploration and evaluation of self, enhancement of kinship relationships and facilitation of social interaction. However, Löfgren (1999) argues vacation life is territorialised hedonism. While for most Bruneians interviewed, holidays abroad involve a mixture of collective and hedonistic consumption patterns.

This section demonstrates the importance of membership into subcultures in urban areas (Jayne, 2006) and how this is achieved through the consumption of commodities funded by consumers' everyday finances. Goods bought during consumers' holidays and shopping abroad are used for everyday consumption while some goods are to be used for special events such as *Eid-ul Fitr* or attending wedding ceremonies. Nevertheless, whether the goods are consumed for everyday use or for special occasions, the amount of debts accumulated by informants affect their everyday finances through monthly debt repayment. The majority who are indebted are credit revolvers whereby this debt repayment is often prolonged closer to the month of the next vacation when again the same cycle goes on. Similar to concepts in financial access in chapter five, access to types of goods play a significant role in influencing Bruneians consumption culture. Section 6.4.2 looks at another annual event or tradition consumers practice affecting consumption patterns and their everyday finances.

6.5.2 *Eid-ul Fitr*

This section mainly deals with consuming in Brunei although some of the commodities particularly related to fashion used during *Eid-ul Fitr* or *raya* such as shoes and bags are bought during their holiday abroad. The levels of spending during *Eid-ul Fitr* are not as excessive as that of shopping abroad. Shopping abroad is mainly about spending for the self. However, *Eid-ul Fitr* involves more collective spending especially for the home rather than spending for the self.

According to Miller (1993), the family plays a central part in Christmas celebrations and gift giving. The importance of the family and gift giving are also significant in Brunei. On the contrary to Carrier's (1993) belief that the use of money as gifts is impersonal and cold, in Brunei, giving money is a norm during *hari raya* and it represents love, kindness and appreciation towards the family and the needy. Though contributing towards the home expenses is a monthly practice, informants also contribute extra more for home expenses during the annual *Eid-ul Fitr* celebration. Samid (27, Teacher) spends more for the home than for himself during *Eid-ul Fit*r:

> I spend a lot during the festive month for the house renovation as well. Even if the things are still working well we replace it like the "chuchul[62]" just for the Raya mood which cost $500. Raya clothes from top to bottom $200 and most important of all the fireworks to play with which cost about $500. So during Raya I would spend an extra $1000 plus which I use from both my income and savings. I willingly offered to pay for the house renovations because I was into the *hari raya* mood. Just like when you go into stores and you just started to start the fasting month and after a week of fasting they play Hari Raya songs...hahaha! So wrong! …after raya is when you feel the pinch because of the extra expenses.
>
> (Samid, 27)

Samid displays the need to consume or spend on something new even if it is not required during *hari raya* which indicates a similar notion of binge consumption argued by Wilk (2006) which is common during the festive season. However, in contrast to Wilk's (2006) argument, for most Bruneians consumption during *Eid-ul Fitr* is not about appreciating one's freedom and fulfilling consumers' own desires but rather more about fulfilling family's desires.

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[62] *Chuchul* is a Malay term for coloured decorative or fairy lights decorated outside the home similar to fairy lights.

Madi has been giving extra money to his mother to pay for what she needs for *Hari Raya* such as payment for her tailored Malay dress or new sandals. This was on top of the monthly contributions he provides for his mother and home expenditure. In addition, Madi also has been paying for additional things needed for *Raya* including his mother's yearly impulsive consumption to change the living room decorations:

> I also pay for the food for open house during Raya which is about $500. During this time, I tend to disagree with mom about the living room where mom thinks we have to get new things for the living room but I feel what she wants to change is too much because we only use the living room only once a year for guests coming for Raya and it'll be a waste because it'll just accumulate dust. My mom likes spending on furniture, I usually object...hahaha! Mom likes hinting to us what she wants for the living room and I will ask how much does it costs and she will ask if the cost can be divided between us siblings. Usually we would agree because it is shared. If it's just one person paying for it, maybe she won't get her ways…hahaha.

Often expenses for this impulsive consumption for new furniture décor for the living room are shared amongst all working members of the family. The majority of Bruneians interviewed also pay for air conditioner servicing costs and foodstuff needed during *Raya* which include cakes, biscuits and soft drinks for guests to nibble on as well as the cost of catering during their Open Houses.

Informants stressed that unlike shopping during their holidays abroad, paying for *Hari Raya* preparation mainly involves using of cash than credit card. The only retailers that accept card payment are departmental stores and interior decor stores. Department stores and supermarkets require consumers to pay for soft drinks using cash only while home decors could be bought using credit cards. Similarly, fabrics for Bruneians' Malay attire are paid using credit cards however, tailors often required consumers to pay using cash because they do not have machines or technologies that enable credit card payments. Depending on the material and the design, the cost of 3-5 *Hari Raya* clothes alone could cost between BND$300-1500 per woman. Cakes and biscuits ordered are mainly from informal bakers selling from their homes and do not have finance technologies that allow credit card payments from consumers. Payments of cakes and biscuit could accumulate to BND$500 on average and paid upon collection.

Half of informants explain that their *Hari Raya* expenditures or contributions also include preparing the "green packets[63]" to give to dependents such as children and the elderly who come to visit. This costs informants between BND200-800.

> I don't usually have a proper budget for raya but most times my spending for Raya and Ramadhan would be about $1500. This is include treats for my family and relatives during break of fast during the fasting month, giving cakes and biscuits to my aunts, giving extra money for my parents, grand fathers and siblings. I also contribute towards giving small amount of notes (cash) for children who come over during Raya, my raya clothes and accessories like sandals, going to the beauticians for my hair, eyelids, eyebrows and nails. Then there's payment for the lighting...paying for the catering for my open house when I call my friends and relatives over to the house.
>
> (Aybe, 24, Ass't Bank Manager)

Generally, the Bruneians interviewed affirmed that the amount given to guests varies. Bruneians give to their elderly relatives including parents, grandparents, grand aunties and uncles, older uncles and aunts green packet that contain BND$50-100; young non-working siblings, nieces and nephews between BND$3-50; other relatives' children including cousins and work colleagues' children BND$2-5. Children they were not related to or acquainted with were given BND$1 each. This is similar to Carrier's (1993) argument whereby in the US closeness in blood relations plays a significant role in the amount of money given and Christmas gifts selection.

The narratives provided by the majority of Bruneians interviewed indicate consumption during the festive season in particular *Hari Raya* is primarily for collective consumption. This collective consumption is not limited to the comfort of those who live in the same home but also beyond their homes such as inviting friends and family to their homes for treats including open houses and green packets. Conforming to family status and maintaining face value are of the utmost importance for households as well as individual consumers through the presentation of their home, the food served and the clothes they wear particularly their Malay attire and accessories including jewellery. Hence, consumption during *Hari Raya* mainly involves meeting the expectations and norms of maintaining social relationships and networks with different social groups, especially family, friends and workmates.

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[63] Green packets were envelopes filled with money to be handed out relatives especially children and elderly who come and visit during *Raya.* They were also given to unknown children who visited homes during raya.

6.5.3 Wedding Ceremonies

Wedding ceremonies in Brunei often require large sums of money and consumers rely heavily on credit facilities to pay for their wedding costs, as shown in section 5.4. Malay weddings have become commercialised due to urbanisation and expanding wealth among the Malay middle class (Talib, 2000, p. 47). In addition, like fashion, "a wedding is a public announcement of one's social status: the bigger the crowd, the higher the status and respect the community accord to the family" (Talib, 2000, p. 47). However, in Brunei, the number of guests is not the single measure of a family's status but also decorations, venue, the caterers, gifts for guests and the gifts given to bride or groom during the gift giving ceremony or *hantaran*.

Before 2005, Bruneians commonly used their personal loan to pay for their wedding costs. Suri explained that a large portion of her personal loan was used to pay for all her wedding ceremonies' costs including her engagement ceremony, her *Nikah* and *Hantaran* (Islamic marriage ceremony officiating or legalising the marriage as well as the gift giving ceremony), *Berbedak* (Powdering ceremony), *Sanding* (day reception) and *Malam Ambil-ambilan* (night reception mainly for family members usually conducted at bride's place) ceremony. Wedding costs have always included payment for the wedding invitations, gifts for guests attending the different wedding ceremonies, food catering for the different functions, house and bride/groom's bedroom renovation, wedding dresses/suits rentals, mini thrones or dais for the bride and groom to sit on during the functions, and helpers during the ceremonies.

Since the implementation of the loan directive, Bruneians have had to control their wedding costs and depend on their savings, credit cards and especially personal loan:

> I maxed out my credit card because I am getting married soon and I used it to pay for my wedding expenses like bedroom furniture, gifts to send to the wife to be… "hantaran" also includes jewellery. I used my personal loan to pay for the camps for the guests, groom's clothes rentals, "pelamin[64]". I use the personal loan to pay my credit card and then use the credit card to pay for my wedding stuff. I also use cash from personal loans to pay for my wedding stuff. I have used up $44k worth of credit for my wedding.
>
> (Khai, 27, Admin Officer)

[64] Dais is where the groom and/or bride sits. Brides and grooms are referred to as the 'King and Queen' for the day in Malay weddings.

Bruneians interviewed set aside a certain budget for their wedding ceremonies but are often intercepted or intervened by their parents if their budget or things bought for the wedding including gifts for the other half and guests are insufficient or of poor quality. Zanah and Rini stated that a large portion of their wedding was paid for by their parents because they are the first to be married in the family. Their parents wanted to invite many people and made sure the wedding ceremonies, decor and gifts for guests did not embarrass the family name (refer section 5.5.2). In other words, wedding ceremonies are a reflection of the bride/groom's social status as well as the family's name, especially parents'. This supports Friedman (1994); Sandikci and Ilhan (2004); and Wong and Ahuvia (1998) arguments that due to the external social symbols attached to gifts, the giver and his family purchase luxury and designer goods to maintain their 'face' value. Khai's mother's intervention and insistence to top-up cash on wedding souvenirs for guests was so that Khai could channel his money on his *hantaran*:

> For my "hantaran" I needed to consult my fiancé, what she wants so I won't waste my money on things she didn't want. So she gave me a list of what she wants. She asked for things like a Dior bag ($2000), a set of jewellery ($3000), engagement ring ($2500) and wedding ring ($3000). Aside from that I have to give a $5000 cash gift and a $300 cash requirement to formalize the wedding. The wedding theme is simple but hopefully leaves an impression to my guests. It's not lavish. I have asked my mom to budget the gift for guests to about $1.50 per guest but she went over budget and bought something worth $3.00 per guest. You multiply this by 800 guests and that would total up to be $2400.

Here, Khai also discussed the arrangement he and his wife-to- be had regarding the list of things his potential wife wanted for her *hantaran.* This was so that the things bought for her were of her liking and avoided wastage. This is typical for most Bruneians interviewed who are married or were getting married.

In addition, a few of the single informants admitted to giving financial assistance to their siblings who were getting married. Often they did so willingly because of their social relationship as well as social obligations. Some informants saw this as their wedding gift to them and were hopeful that such generosity would be reciprocated in the future when it was their turn to get married or in need for financial help. Hajah (35, Education officer) spent about BND$350 to pay for the carpets at home for her sister's engagement ceremony and the servicing of the air conditioners in the living room. Even Bal (31, Professional), who from the beginning of her interview had been complaining about her debt problems paid for a few goods needed for her brother's *hantaran* ceremony. She was not able to help her brother as much as she did with her in-law who got married because at that time she had her personal loan to pay for designer goods to be included in her in-laws *hantaran* gifts. Now that she had maxed her personal loan and had only enough to pay for her and her children's livelihood, she could not help as much but insisted on helping where she could because of the close blood relations she and her brother have. Also, he had helped her every time she needed financial help. Alai and Abdul also provided financial assistance to their siblings. Abdul for example used his personal loan to pay for the souvenirs distributed to guests who attended his brother's wedding while Alai used her credit cards to pay for some of the gifts for her brother to give his wife-to-be such as her designer watch and make up set, toiletries and Italian silk during the *hantaran* ceremony.

Most traditions or special events practiced in Brunei often involve a lot of gift giving or money contributions whether it is holidaying abroad, *hari raya,* or wedding. Traditions are part of 'cultural capital' (Bourdieu, 1984; du Gay et al., 1997) consumers inherit from their family which they conform to and shape their consumption culture. In most cases, consumption related to these traditions involve conforming to social expectations. Consumers typically get much self satisfaction from conforming to the lifestyle or social status that they desire as well as practising forms of defensive consumption (Schor, 2002) in which they consume to maintain their family's standard of living even if it means borrowing money. My findings concur with Talib (2000) as the widespread of credit facilities has enabled rapid consumption in Malay weddings where consumers could spend excessively according to social status they want to achieve and portray. Although these traditions might be seen as 'special events' which are not consumed on a day to day basis, the cost of celebrating such traditions are often spread throughout the year hence affecting the informants' everyday finances.

6.6 Conclusions

The aim of this chapter is to show the consumption culture in Brunei that has stimulated Bruneians interviewed to spend their income and gain access to finances. Social and cultural intermediaries especially the family play a significant role in shaping consumption in Brunei which differs from other geographies such as Anglo-American's individualistic and hedonistic consumption (Wong and Ahuvia, 1998;

Chua, 2000) is demonstrated in this thesis. The majority of Bruneians interviewed demonstrate that whether married or single, their consumption pattern and spending are based on social relations they wish to maintain especially with family. Therefore, consumption culture in Brunei is not entirely for self but also for the needs and wants of family and relatives.

The Bruneians interviewed share a similar consumption culture to that of Asia, as described by Chua (2000) whereby they see the need to conform but at the same time maintained the need to be slightly different from the social group they conform to. Additionally, consumption in Brunei is fuelled by income and borrowings not just for designers and luxuries to achieve a superior lifestyle practiced by the upper classes (keeping up with Gateses) but also for everyday consumption especially improving and maintaining livelihoods of consumers who have or are undergoing financial burden, i.e. defensive consumption (Montgomerie, 2009 and Schor, 2002).

Additionally, it is evident from my interviews that goods consumed could not just be easily categorised either because of their use value or because of their social value (symbolism). Rather, Bruneians' consumption of goods is because of a mixture of both use and social values. I have also shown that meanings of goods and products consumed could vary over geographies such as between Brunei and Anglo-America. At the same time, it could be somewhat similar over geographies such as in some countries in Asia like Singapore. Meanings of goods can also differ between social classes as argued by Bourdieu (1984), du Gay et al. (1997) and Sassatelli (2007) regarding definitions of needs. Such is the case of Zan and his consumption of designers that are part of his everyday consumption that he considers as ordinary but to others is conspicuous consumption.

Brunei's traditional culture has merged and combined with a consumer credit culture. Location influences consumptions level and financial practices among the consumers interviewed. While abroad, Bruneians have access to different kinds of brands which are not available in Brunei thus justifying their spending abroad and use of credit and loans. Holidays abroad, *Eid-ul Fitri* and wedding preparations stimulate high consumption and use of borrowings from banks. In any case, the Bruneians interviewed show that despite these traditions are not being consumed on an everyday basis, the debts accumulated and time needed to service these debts often take a long time and they therefore affect consumers' everyday finances. Moreover, these traditions especially *Eid-ul Fitr* and holiday abroad are cyclical thus consumers continue repaying these over a long period of time especially if they are revolvers. Special events and holidays are thus distinctive spaces in which people behave differently; they relax some of their normal control and caution. Because these 'special spaces' have been financialised this is a strong cause of high levels of borrowing. Here, financialisation is working by fusing with these traditional events and expectations.

Finally, this chapter also demonstrates that the consumption culture practiced in Brunei is distinct from those in other places due to different social and cultural intermediaries and practices. The consumption culture in Brunei is a mixture of maintaining traditional consumption or practices with new consumerism. These findings differ from those studies done in Western countries. More importantly, this chapter explores the shift in finance and consumption culture after the loan cap. This supports Lee's (2002) and Lee et al., (2009) emphasise on understanding and acknowledging temporal and geographical differences that help understand the different finance culture.

Chapter 7

7. Conclusions

7.1 Aims and Objectives Revisited

My research examines important and contemporary areas in economic geography: finance and consumption and how they are linked. It is hoped that this thesis will fill gaps in geography for both finance and consumption literatures related to consumers' everyday finances and consumption culture. This research can assist in enlightening knowledge of consumption and credit use outside of Western societies. This is because the process of financialisation varies across geographies as shown in this thesis. Most work concerning personal debts and credit use employed quantitative methodologies, which often present trends instead of explaining consumers' experiences and practises. Therefore, I found using mixed methods with qualitative research as the main methods to be useful in understanding the general trends, developments and differences occurring in the consumers' everyday financing and consumption.

The main aim of my research is to investigate Brunei's financial and consumption culture. Nevertheless, this research shows the distinction of Brunei's financing and consumption culture and development are from other geographies such as the West within which the bulk of research on financialisation and consumption is situated. I highlighted the importance of appreciating spatial variations relating to development of cultures and development of financing and consumption because of the different intensity of social relations practices and regulations implemented by different societies. More importantly, I have presented and explored the changing financing and consumption patterns within Brunei. Brunei is a fascinating case study because of the government's strong influence on the financial system. Through attentive interviews with a variety of Bruneians, this study provides a better understanding into the fascinating and complex concoction of motivations influencing consumption patterns, as well as the relations between these patterns and the evolving system of personal finance, intervened and regulated largely by the Brunei government.

To achieve the aim of the research, several objectives and key questions were addressed. Firstly, I had to examine Brunei's financial structural changes after the

2005 financial reform, especially the financial institutions' reaction and responses. Secondly, I examined Bruneians' everyday financial cultures i.e. Bruneians' financial access and the role of cultural intermediaries, in particular traditions in influencing Bruneians' financial access. Finally, I had to investigate the consumption culture in Brunei: looking in particular at the roles of cultural intermediaries, social relations and traditions. Several key themes have emerged and these are highlighted and discussed in this chapter below.

One of the key ideas that has emerged from this research is that there have been varying levels or uneven development of financial structures and regulations in Brunei hence influencing consumers' personal finance. Financialisation in Brunei is distinctive because of the political context and complex influence of culture and social intermediaries. The implementation of the MoF Directive in 2005 in capping personal loans was an apparent demonstration of the government's close supervision of the financial institutions and markets in Brunei. This financial reform and tightening of private lending was not a reaction to global financial market problems but it represented an initiative from the Brunei government itself to control the level of indebtedness and to promote a savings culture among Bruneians for a more secure future, especially after retirement. Instead of fully embracing financialisation, the Brunei government's decision to regulate and supervise financial institutions and their products, preventing the extension of subprime lending, meant that Brunei's financial market and consumers were not as badly affected by the global crisis in 2008.

This contrasts with the complex and democratised financial system in other geographies particularly in North America and Western Europe, where much financial control was handed to financial institutions. Anglo-Americans' financial neo-liberalisation and the innovations of calculative tools created securitisation and the penetration of subprime lending into financial markets. This resulted in a variety of financial products being sold to consumers including those once marginalised as excessively high risk. Subsequently, this also meant that consumers in Anglo-American countries underwent changes in their finance culture from savings culture towards a more investment culture, at least amongst the upper middle class and those with surplus wealth. Most importantly, there was also an increase in borrowing culture as more consumers accessed mortgage and credit lending. This change in borrowing demonstrated the consumers' deep integration into financial markets and the prolonging of their obligations to financial markets through debt repayments (Langley (2008). Nervertheless, it should be emphasised that this is not a comparative study between Brunei and the West. Rather, my main focus is to show the evolving finance and consumption culture of Brunei particularly so after the finance directive implemented in 2005.

The second theme that emerged in the researching and writing of this thesis is that although Brunei government's attempts to control financialisation had been successful to some degree, financial institutions and consumers were actively searching for ways around the regulations. Though Bruneians borrowed from prime lenders rather than subprime lenders which are common in Western societies, the Brunei government still found the levels of indebtedness in Brunei worrying and thus implemented the financial reform in 2005. As shown in chapter four, Brunei's lending structure transformed as a result of financial institutions' reactions to the personal loan cap. Financial institutions found loopholes and other means of increasing access to borrowing for Bruneians by re-marketing existing financing which are less popular such as car loans as Bruneians' had always preferred personal loans as their main source of financing prior to 2005.

Similarly, chapter five reveals that despite the change in financial structure through financial reform, Bruneians have sought other sources of financing to overcome the cap on personal loans. Prior to the 2005 MoF Directive, Bruneians used personal loans to fund most of their consumer durables and needs including cars and marriage preparations. Bruneians who borrow from lending institutions after 2005 have sought alternative financing such as credit cards and car mortgages. Additionally, Bruneians interviewed who applied for personal loans after 2005 opted for revolving personal loans to overcome restrictions and caps, hence illustrating a transition in Bruneians' financial culture after the loan directive. Financial reform successfully declined personal loan debts but other forms of financing debts are increasing, especially revolving credit which suggests that there is no radical decline or alteration in consumption culture in Brunei. Nevertheless, a positive effect of financial reform is the increased awareness amongst Bruneians and the need to save for the future, especially after retirement. Bruneians interviewed have shown interest in savings and investments. In chapter five I introduced the significant role of social and cultural intermediaries, in particular the family and their influence on Bruneians' financial access. The family has become another alternative source of borrowing for

Bruneians and by using loans from family members, some are able to avoid borrowing from formal institutions and financial bank charges such as Siyah's "parental loan" to pay off her car loan from a finance institution and avoiding formal financing to purchase property.

Another key theme that emerged is the growth of a new consumerism but instead of consumption for the self, borrowing and spending are shaped by collectivist norms and traditions. Here, the local and global are merged as they both shape consumer and financial choices. Table 5.3 (page 116) illustrates this point clearly where Bruneians' financial and consumption culture are somewhat different from Western finance and consumption culture. Nevertheless, there are global cultures that have penetrated Bruneians' consumption culture which affect the everyday finance of Bruneians. Here, I argue that the Bruneians' evolving financial culture have emerged from complex interactions between financial institutions, the state, intermediaries and individual choices. I have also demonstrated that Bruneians share an identical consumption culture to that of Singapore whereby consumers see the importance of conforming to their social groups' practices and consumption while simultaneously maintaining the need to be slightly distinct from the social group they conform to (Chua, 2000).

In chapters five and six, I demonstrated that Bruneians' access to finance, especially borrowing, is not only devoted to individualist and selfish purposes as a substantial portion of incomes and borrowings are spent on family and loved ones i.e. collectivism. By examining the consumption culture of Bruneians interviewed, it is evident that the trends in Bruneians purchasing, using their loans and credits, before and after 2005 are very similar. The only difference is that the source of funding or facilitating the commodities purchased differed whereby as mentioned post 2005 borrowers depend highly on revolving credit and loans as well as mortgages. In Brunei maintaining the "face" value of Bruneians interviewed and social symbolism reflect the culture of conforming and maintaining social relation to their social group such as the family. Wong and Ahuvia (1998) identify this as self-interdependent and this is common in East Asian societies. This is especially obvious during traditional or cultural functions or special events such as *Eid-ul Fitr* and wedding ceremonies where conspicuous consumption are prevalent. In addition, my research has also revealed that special events and holidays abroad are distinctive spaces where

Bruneians relax some of their normal control and spend or consume differently resulting in high levels of spending and borrowing.

In chapter six, I also argued that formal borrowing has not been the only means for Bruneians to consume the lifestyle they want to achieve, such as spending on luxuries including gadgets and designer bags to emulate the upper classes. Instead, the majority of Bruneians interviewed depend on borrowing from banks to facilitate and maintain theirs and their family's needs and existing lifestyle, particularly as the standard of living as well as cost of living have increased. This form of defensive consumption is similar to Western consumers' especially parents' use of credit for family needs as argued by Montgomerie (2009) and Schor (1998, 2002). Bruneians' consumption culture is a combination of old consumerism where traditions and cultures have to be maintained and new consumerism where Bruneians conform to family and to some extent work and friends' social expectations. This differs from the Anglo-American consumption culture where individualism and hedonism have been the main reasons for consumption. However, for married consumers in Anglo-America, collective consumption is apparent in Montgomerie's (2009) and Schor (1998) arguments on defensive consumption where family, especially children's consumption, becomes more important than the borrower's. Throughout this thesis, I have argued that the family plays a significant role as a cultural intermediary that affects Bruneians everyday finances and consumption. An important theme discussed in chapter six is that financial culture is shown by everyday practices but special events and tradition or ceremonies play a key role in determining consumers' everyday financial behavior and change.

More importantly, my thesis highlights the importance of exploring not just financial structures such as financial firms and the significant influence the government has on consumer finance and consumption but also there is a need to consider a mixture of underlying personal and socio-cultural factors that affects personal finance and consumption choices. Social and cultural intermediaries also affect the development and evolving consumer financing and consumption in Brunei and should be given equal importance by policy makers especially by the government when developing and implementing new financial policies.

7.2 Directions for Further Research

My research covers the financing and consumption culture of young working Bruneians. There are several issues that have emerged during the research which I was not able to centrally address. Firstly, further research should examine gender differences and finance culture, as a few male Bruneians interviewed have noted that their income is left for their wives to manage and used. In addition, most single consumers claim that they usually give their monthly contributions to the home or to their mothers. Questions arose as to whether women and men manage their finances in the same way.

Further research should also focus on married or separated consumers with children and their everyday finance culture and consumption patterns. My research briefly shows the difficulty these consumers face in a time when the standard of living and cost of living, especially in urban areas, are increasing. The sacrifices these consumers have made in order to allow defensive consumption that ensure the happiness and welfare of their children are evident. Such consumers borrow more and go through hardship as a sacrifice for their family. Research on the impacts of sudden tightening of credit or credit crunch on broken families after 2005 is an area that should be examined in more detail.

Towards the end of my thesis research in January 2010, the government made another financial reform, this time addressing consumer dependence on credit cards for consumption. This further tightening of credit or restricting access to credit cards had an impact on consumers, including middle income consumers, as reported in the mass media. Further study should be carried out to examine what other sources of financing consumers' have access to or how financial and consumption cultures will change after this reform. The further restrictions to credit introduced in 2010 may push consumers to desperation and force them to borrow from illegal predatory lenders, especially loan sharks, which impose excessive interest rates that can be dangerous to consumers.

As noted, there is a dearth in literature on finance and consumption outside the Western context. Comparing and exploring Brunei's financialisation with other non-Western societies such as those of Singapore and Malaysia would reveal interesting similarities and differences. This can help show whether there are varying levels of financialisation or finance culture even within societies outside the Western context. It would be interesting to investigate the different levels of society's complex relationship with governments, financial institutions and intermediaries affecting both finance use and consumption. The following questions could also be researched in more depth:

- Do families or religion play key roles in the financial system or the level of indebtedness and consumption?
- Do countries such as in Southeast Asia have similar financial regulations or level of governance in their financial system as in Brunei and have they been successful in reducing consumer indebtedness? What role does the Association of Southeast Asian Nations (ASEAN) play in influencing financial regulations or banking system of their member countries such as that for the EU or G7 members?
- Or are there other underlying reasons for their level of financialisation and consumption?

Future research on Brunei's finance and consumption culture should consider whether high credit and lending still remains a problem in Brunei and if there are implications of restricting credit on the local economy. This is because other countries going through global economic recession may find this information useful in helping their economy. In addition, future investigations could look into whether there are future social repercussions relating to further tightening of credit such as family size and planning due to increasing cost of living or predatory lending from loan sharks such as that in the UK.

All these issues are concerned with the society's wellbeing. Hence, more research examining finance and consumption culture should be explored to enable policy makers to comprehend both benefits and the implications of their decision making.

Appendix A

Brunei Informants Socio-economic Background

No.	Name	Sex	Age	Marital Status	Occupation	Monthly Income (BND)	Living arrangement
1	Dina	F	35	S	Teacher & Insurance Broker Manager	4900	Parents
2	Hajah	F	35	S	Education Officer	4850	Parents
3	Majid	M	26	S	Government Officer	4800	Parents
4	Umi	F	29	S	Law Enforcement Officer	4050	Parents
5	Bal	F	31	M 3 children	Professional	3900	Government Subsidised Home
6	Madi	M	32	S	Professional	3900	Parents
7	Abdul	M	31	S	Consultant	3800	Parents
8	Jeff	M	35	M one child	Admin Officer	3800	Parents
9	Jali	M	29	M one child	Army Officer	3500	Government Subsidised Home
10	Alai	F	29	S	Professional	3500	Parents
11	Ian	M	26	S	Law Enforcement Officer	3500	Parents
12	Mat	M	27	S	Law Enforcement Officer	3500	Parents
13	Suri	F	32	M 2 children	Lecturer	3500	Parents
14	Alvin	M	23	M	Law Enforcement Officer	3495	Parents
15	Shai	M	29	S	Lecturer	3455	Parents
16	Rizal	M	27	S	Doctor	3400	Parents
17	Haji	M	30	S	IT Officer	3200	Parents
18	Arif	M	26	S	Professional	3200	Parents
19	Rozy	F	26	S	Auditor	3100	Parents
20	Siti	F	32	M	Government Officer	3050	Parents
21	Siyah	F	31	S	Special Duties	3000	Parents

					Officer		
22	Zan	M	29	S	Retail Manager	3000	Parents
23	Khai	M	27	S	Admin Officer	3000	Parents
24	Ros	F	28	S	Teacher	3000	Government Subsidized Home
25	Sam	M	30	S	Government officer	3000	Parents
26	Dodi	M	26	S	Sociologist	3000	Parents
27	Sue	F		S	Medical Officer	2985	Parents
28	Ummi	F	29	S	Teacher	2903	Parents
29	Insan	F		S	Government Officer	2900	Parents
30	Mila	F	25	S	Teacher	2900	Parents
31	Pg	M	34	M 3 children	Public Works Officer	2850	Own Home
32	Aziz	M	22	S	Government Officer	2800	Parents
33	Samid	M	27	S	Teacher	2800	Parents
34	Dara	F	26	S	Professional	2800	Parents
35	Aybe	F	24	S	Assistant Bank Manager	2800	Parents
36	Nizam	M	29	S	Education Officer	2800	Parents
37	Zanah	F	26	M One child	Professional	2800	Parents
38	Lim	F	32	S	Research Officer	2800	Parents
39	Fetty	F	25	S	Teacher	2732	Parents
40	Yuni	F	22	S	Nutritionist	2700	Parents
41	Izin	M	24	S	Lecturer	2700	Parents
42	Fiza	F	27	S	Education Officer	2700	Parents
43	Mira	F	24	S	Education Officer	2700	Own – Parents Subsidized Apartment
44	Mazlan	M	24	S	Teacher	2700	Parents
45	Honey	F	36	S	Data Management Officer	2700	Parents
46	Mizah	F	22	S	Teacher	2700	Parents
47	Badee	M	24	S	Government Officer	2683	Parents
48	Moi	F	30	S	Army Officer	2650	Own – Government Subsidized Home

49	Sali	F	24	S	Teacher	2630	Parents
50	Mimi	F	26	S	Government Officer	2630	Parents
51	Ruru	F	26	S	Teacher	2630	Parents
52	Safwan	M	27	S	Government Officer	2630	Parents
53	Tiy	F	22	S	Teacher	2600	Parents
54	Min	F	25	S	Archaeologist	2600	Parents
55	Aisah	F	25	S	Government Officer	2600	Parents
56	Faiz	M	25	S	Government Officer	2600	Parents
57	Nora	F	26	S	Government Officer	2600	Parents
58	Ezah	F	26	S	Tutor	2600	Parents
59	Nurul	F	38	M 3 children	Clerk	2300	Own home
60	Junaidi	M	30	M One child	Chief Technical Asst.	2300	Parents
61	Tina	F	26	S	IT staff	2300	
62	Lina	F	35	M One child	Lab Assistant	2175	Own
63	Izan	F	31	S	Entertainer	2000	Parents
64	Isam	M	30	S	Teacher	1990	Parents
65	Mel	F	30	M 2 children	IT Staff	1900	Parents
66	Dipa	M	38	M One child	Tradesman	1900	Own – Government Subsidized Home
67	Darul	M	36	S	IT Staff	1900	Parents
68	Shah	M	32	M 2 children	Police	1770	Own – Government Subsidized Home
79	Rini	F	25	S	IT Staff	1700	Own – renting with friends
70	Ani	F	29	S	Law Enforcement Staff	1650	Parents
71	Arin	F	30	S	Pharmacist	1500	Parents
72	Harini	F	36	M One child	Clerk	1500	Parents
73	Eda	F	27	S	Customer Service Worker	1500	Parents
74	Nuraini	F	23	S	Clerk	1435	Parents
75	Man	M	29	M	Soldier	1400	Parents

76	Izzat	M	24	S	Police	1300	Parents
77	Sina	F	21	S	Police	1212	Own – Government Subsidized Home
78	Kamal	M	36	M	Supervisor	1100	Own – Government Subsidized Home
79	Amar	M	28	S	Freelance Mechanic	1000	Parents
80	Farah	F	24	S	Technical Asst.	1000	Parents
81	Rafi	M	20	S	Soldier	930	Parents
82	Zura	F	26	S	Clerk	900	Parents
83	Rahman	M	23	S	Clerk	840	Parents
84	Fiz	M	22	S	Clerk	840	Parents
85	Poon	M	21	S	Electrician	800	Parents
86	Amal	F	25	S	Customer Service Staff	800	Parents
87	Fuad	M	23	S	Car Dealer Staff	420	Parents
88	Rahmani	M	20	S	Freelance Mechanic	50	Parents

Class according to income:

Middle Income

Lower Income

Sex:

M = Male

F

=Female

Marital status:

M = Married / no. of children

S =Single

Appendix B
Brunei institutions informants

No.	Institutions	Informants
1.	**Financial Institutions Divisions, Ministry of Finance** (FID)	Deputy Director Senior FID Officer 1 Senior FID Officer 2 FID Officer 1 FID Officer 2
2.	**Banks:** Conventional Islamic	 Senior Bank Officer 1 Senior Bank Officer 2 Bank worker 1 Bank worker 2 Senior Bank Officer 3 Bank worker 4
3.	**Retailer offering credit:** Jewellery store Easy ware	 Salesperson 1 Sales person 2

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