

Part IV: Beyond India's Silicon Valley: Precarious Migrant Workers and Re/Productive Finance in Bengaluru

"The large urban underserved want more than loans. Like all of us, they too want a place to keep their hard-earned savings, they want health and life insurance, pensions and retirement plans, financial support to expand micro enterprises, loans to put children through English-medium schools. In short: a full-service financial institution to fuel their dreams."

—*Janalakshmi Financial Services* (2018)

"Debt and indebtedness generate entrapments that not only scar individual lives but also mark the human condition as one of imbalance: between aspiration and realization, between creditor and debtor, between desire and desperation, and between life and death."

—*A. R. Vasavi* (2014)

Chapter 13

Migrant Workers Between Expropriation, Exploitation, and Exclusion

In 2017, when I embarked on this research project, Bengaluru¹ led the City Momentum Index (CMI) list before Ho Chi Minh City, Silicon Valley, and Shanghai. The index ranks the most dynamic cities of the world in terms of city GDP, population growth, foreign direct investment (FDI), and commercial real estate dynamics related to changes in construction, rents, and investment volumes. According to the authors, the CMI aims to “[...] alert[ing] the market to signals of change and to highlight the defining features which are enabling cities to successfully compete in a new economic landscape” (JLL 2017). As such, Bengaluru is heading a broader trend in India and many other parts of the world. Cities are engines of economic growth (Mitra and Mehta 2011), and in recent decades, Bengaluru has been “remapped as a territory for accumulation of economic power” (Nair 2005, 345). Rapid urbanisation is a hallmark of many regions in the global South. However, according to the World Economic Forum, “India’s urban development is among the most important – the country’s urban population is forecasted to almost double from 2014 to 2050 (World Economic Forum 2015). Likewise, the McKinsey Global Institute (MGI) had high hopes for “India’s urban awakening”. In 2010, the researchers estimated that India’s cities could generate 70 per cent of net new jobs created by 2030, produce more than 70 per cent of Indian GDP, and drive a nearly fourfold increase in per capita incomes across the nation (Sankhe et al. 2010). Undoubtedly, Bengaluru has mastered the game of global cities; it has become an attractive investment destination and a nodal point in the global financial flows of the finance-dominated service economy (Goldman 2010; Nair 2005).

Also called India’s Silicon Valley due to the density of information technology firms, these references paint a modern success story. Indeed, the South Indian metropolis has come a long way: Upon independence, the city’s population was

1 In 2007, the state government of Karnataka decided to rename Bangalore as Bengaluru, affirming the dominant language in the state (Kannada) and confronting the colonial heritage of English naming of cities.

less than 750,000. By 1990, Bengaluru had already grown to around four million. And in 2017, more than eleven million people lived in the city (Roy et al. 2018). Yet, the glittering appearance and spectacular growth of the metropolis is riddled with cracks. In the niches between apartment complexes and office buildings, metro lines and highways, construction sites and factories, the city consists of about 2,000 scattered slums, a tenfold increase in the past four decades, which provide a home to roughly a third of the city's population (Roy et al. 2018). The overwhelming majority of this slum population are low-caste, Dalit and Adivasi migrant workers from Karnataka, neighbouring states and, increasingly, from across poverty-ridden districts in other parts of the country.² They usually reside in comparatively small settlements with about 50 and 200 tents, shacks and other makeshift homes (see Picture 3).³ Many of these slum dwellers build and sustain the city as construction or domestic workers, vegetable cart sellers, waste pickers, security guards, or auto drivers, yet they remain in the city's shadows (RoyChowdhury 2021).

To be sure, the existence of stark inequalities in close physical proximity is certainly no exception in the rise of global cities in past decades, as Mike Davis has shown in his seminal work *Planet of Slums* (Davis 2006). However, it provides an important and arguably neglected research context for studying microfinance and financial inclusion. After all, some of the largest MFIs in India, like Janalakshmi and Ujjivan, have started their business in the slums of Bengaluru (see Chapter 11). So, what can an investigation of precarious migrant labourers in the metropolis possibly tell us about the rise of microfinance and the contradictions of financial inclusion? I suggest that engaging with the "city of shadows" (RoyChowdhury 2021) may illuminate our understanding of the opaque workings of commercial microfinance in at least one central way. It can explain the massive demand for credit amongst subaltern working-class households as a result of uneven capitalist development. Rather than just needing credit because they belong to the category of unbanked or urban poor, expropriation, super-exploitation, and exclusion of migrant labourers figure prominently in shaping the demand for reproductive debt. Thus, focussing on the rural-urban continuum within the neoliberal regime of re/productive finance helps to understand how commercial microfinance fills a particular niche within an existing ecosystem of multiple creditor institutions, and what limits it is confronted with.

2 According to official numbers, there are slightly more men (54 %) than women (46%) residing in notified slums, and more than half of the inhabitants are from the ST/SC category (KSDB 2013).

3 Only about a third of these settlements are notified because many have just recently been constructed or only remain for a short period. At the same time, those labour migrants and civil society organisations faced difficulties in registering them with the Karnataka Slum Development Board (CSA_1, Pos. 16).

Picture 3: Makeshift Settlement of Migrant Workers in Krishnarajapura, 2019



Source: private archive.

This part draws on the method of a “singular form” of incorporated comparison (McMichael 1990, 389), to understand the shattered story of migrant workers through specific spatial configurations within the neoliberal regime of re/productive finance. It focuses on three crucial aspects, drawing on the particular experience of construction, domestic and garment workers. Making a broader argument of how reproductive debts are lived through by a significant share of India’s contemporary subaltern working class, and how this relates to the expansion of commercial micro-finance. Together, these three groups comprise roughly 1.5 million workers in Bengaluru. Focussing on a specific set of workers in each section is primarily a strategic move that helps balance an analysis of general features experienced by almost all migrant labourers, while also highlighting the specificities different workers face in the labour process. In other words, it tries to account for the diversity of fractured lives while upholding the claim that there is a shared experience amongst different migrant workers. As such, this chapter seeks to give subaltern indebtedness “a body, a voice, and a territory” (Cavallero and Gago 2021, 4).

This chapter investigates the structural drivers of labour migration, emphasising how migrant workers are torn between expropriation, exploitation, and exclusion. It introduces the notion of a debt-distress cycle, substantiating how demand for credit is rooted in a chronic subsistence crisis. Chapter 14 engages with how reproductive debts are lived through. It emphasises how caring for reproductive debts

and juggling different sources and types of credit(ors) is an underappreciated, necessary work that mostly women engage in. Chapter 15 discusses the background story and afterlives of a short-lived but decisive strike of garment workers. This case illuminates the potential convergence of labour and debt struggles, providing valuable insights into how migrant workers struggle against the neoliberal regime of re/productive finance. Together, these three moments describe the structural violence of reproductive debts in contemporary India summarised in Chapter 16.

The Underbelly of India's Urbanisation

It is hardly surprising that the rise of the construction industry parallels “India’s urban awakening” (Sankhe et al. 2010). The sector has become the country’s second-largest employer, only behind agriculture. It currently employs around 51 million people and accounts for 9 per cent of the nation’s GDP (Invest India 2023). According to estimates, there are over 100,000 construction companies, of which 250 are major corporations, and nearly 400,000 contractors and sub-contractors of whom the entire industry relies on (Deccan Herald 2012). Construction workers are predominantly rural-urban migrants from ST/SC/OBC categories who toil in the city as daily wage labourers.⁴ Cyclical migration patterns and the informal nature of work make it hard to survey the sector. But there are likely some 1.5 million construction workers in Karnataka, of whom at least one-fourth are in Bengaluru (RoyChowdhury 2021, 110). The relevance of the industry for migrant workers can hardly be overestimated, as a long-standing civil society activist emphasised in one of the interviews:

“Our recent experience is that migrants are coming. 90% of them are working in construction and construction-related activities. Because Bangalore is supposed to be the most dynamic construction happening in Asia. [...]. Second thing is that construction is today better paid than other sectors. For the skilled labourers, but also for unskilled labours.” (CSA_1, Pos. 34)

On average, wages for unskilled labour in construction are significantly higher than those in agriculture, and employment is comparatively steadier, explaining why masses of effectively landless labourers turn to seasonal migration as primary livelihood (Pattenden 2016, 78; Srivastava 2018, 117). In this sense, labour migration can be a form of economic mobility for impoverished rural masses, including maintaining rural households through remittances. However, many studies have also pointed to the contradiction that even comparatively higher wage levels in urban areas may be below minimum wages, and chronic indebtedness may still shape

4 For an overview of construction workers in India, see Srivastava (2018).

their livelihoods, especially for the lower ranks of migrant workers (Breman 2019; Mansoor and O'Neill 2021; Mosse et al. 2002; RoyChowdhury 2021; Srivastava and Sutradhar 2016).

In this context, the overall segmentation and fragmentation of construction workers along gender, skills, or region are critical to the sourcing strategies of contractors and sub-contractors to maintain a cheap, flexible, and docile workforce (Parry 2014; Pattenden 2018; Srivastava 2022). For instance, all interviewees confirmed a significant gender wage gap, with women earning only two-thirds or sometimes even half of what their male counterparts get for the same work. Importantly, this gendered gap is also visible concerning the average monthly workdays. As a female construction worker from a slum in Kodigahalli remarked: “We would like to work more, but often we only get a job for three days a week. We can't plan because the contractor simply calls and then we have to spur” (HH_Cluster_5, Pos. 20). Women worker's position on the construction site is ambiguous. While contractors and employers understand them as “more docile and less likely to skip work, drink or cause trouble on site, they were also perceived as less efficient” (Bowers 2019, 30), devaluing their labour based on prevailing gender norms. This gendered devaluation continues with women's seemingly natural responsibility of unpaid reproductive labour at the worksite and beyond (HH_Cluster_5, Pos. 55–60).

A time-use survey amongst 100 female Adivasi construction workers found that, on average, women workers spent 17 hours a day performing both paid and unpaid work across construction sites, their living spaces, and accessing basic facilities in the city (Jayaram, Jain, and Sugathan 2019, 90). This would entail burdensome physical work with walking at least 10 kilometres, lifting and carrying more than 5,000 kg daily, and climbing around 480 steps, often on uneven terrain or shaky platforms – with little time to rest and additional burdens of unpaid care work on the construction site. Moreover, women usually wake up at 4 a.m. to perform household work like cooking, cleaning, and washing before leaving for work and continue this work straight after returning from the construction site (Jayaram, Jain, and Sugathan 2019, 91).

In addition to the physical and emotional double burden of paid construction and unpaid reproductive work, women in the construction industry point to the omnipresent reality of sexualised violence as part of their labour subordination, from the labour stands to the bus rides and construction sites (Bowers 2019, 31; Parry 2014). And the chronic lack of primary health care, including antenatal maternal services, leads to “unattended deliveries at the workplace, miscarriages, and reproductive health issues” (Jayaram, Jain, and Sugathan 2019, 95). Thus, female construction

workers experience the full scale of precarity, a mix of fundamental uncertainty and insecurity regarding wages, employment, and bodily integrity.⁵

Given the harsh and exploitative realities in the construction industry, one might wonder why there is such a mass of migrant labourers. Most of the interviewed construction workers in Bengaluru come from dry-belt areas in Northern Karnataka and Andhra Pradesh or distant regions affected by high poverty, including Bihar, Jharkhand and Odisha. In all these cases, rural distress drives migration. A 16-year-old boy who had migrated from a drought-prone region in Andhra Pradesh summarised his despair as follows: “How can we go back? There are no jobs, nothing. Here at least sometimes jobs are available, we can earn some income” (HH_Cluster_6, Pos. 46). In shedding light on the background conditions of labour migration, the following sections attempt to show how exploitation of migrant workers is intimately connected to a variety of processes of expropriation and exclusion, and how the cumulation of these dynamics explains their chronic indebtedness.

Slow Violence and a Debt for Life

A woman from Gulbarga⁶ who had recently migrated to Bengaluru and settled in a small hut on the outskirts of the metropolitan area explained how continuous droughts and heavy rainfalls have adversely impacted their subsistence farming, leading to cumulative debts of more than Rs. 100,000 with moneylenders, neighbours and family. Eventually, she and her husband searched for an income in the city in the booming construction industry. “We only came here to be able to repay the loans. We don’t want to stay but return home after two or three years of labour” (HH_Cluster_2, Pos. 23). The “promise of the metropolis”, as Janaki Nair (2005) has famously called it, remains a powerful imaginary for large parts of the rural population. Although the biographies of migrant labourers are diverse and unique in many regards, it wouldn’t be exaggerated to claim that the collision between agrarian distress and urban promise drives a massive and arguably growing flow of people into the global city.

Most biographic interviews with relatively recent construction workers reveal a remarkably similar pattern: Recurring droughts, floods, adverse agrarian conditions, and bleak prospects of making a living otherwise in dry-belt areas

5 There are, of course, also other dimensions of insecurity which have not been mentioned here, including the inadequate equipment and hazardous working conditions at construction sites, with frequent accidents where workers literally risk their lives in the process of building the city (Pandey 2019).

6 Gulbarga is a city and district in Northern Karnataka which has been renamed Kalaburagi in 2016. I use the old name because interviewees from the region have consistently referred to it as Gulbarga.

like in Northern Karnataka (Gulbarga, Raichur, Yagdir) or the neighbouring state of Andhra Pradesh (Kurnool, Nandyal) had forced particularly low-caste, Dalit and Adivasi families and communities to search for a livelihood in Bengaluru (HH_Cluster_3; HH_Cluster_4). Other studies have also established this relationship (Pattenden 2016; RoyChowdhury 2021; Sridhar, Reddy, and Srinath 2013). Such distress-driven migration is grounded in a political ecology of inequality and the slow violence associated with the progressing climate change. And both processes are intimately bound up with the 'original sin' of producing debts for life. After all, debts accumulating due to unviable cultivation and the sheer impossibility of safeguarding social reproduction in rural areas are a significant reason that drives masses of workers to the booming construction industry (Krishna, Sriram, and Prakash 2014; Pattenden 2018).

Building on the extensive research on the agrarian crisis and distress-driven migration, the following highlights the constant, creeping, and cumulating threats that underpin the structural subsistence crisis of subaltern working-class households across the rural-urban spectrum. Rather than displacements through development projects or urban infrastructure, a topic we will engage with later, the agrarian crisis involves a more subtle and indirect form of dispossession, which, following Rob Nixon, can be called 'slow violence'. It "occurs gradually and out of sight, a violence of delayed destruction that is dispersed across time and space, an attritional violence that is typically not viewed as violence at all" (Nixon 2011, 2). Slow violence proceeds incremental and cumulative with abysmal effects that may stretch unevenly over space and time. Nonetheless, it is neither random nor without cause. As will be argued here, it is rooted in a political ecology of inequality in which capital and the state figure prominently, and urbanisation plays a key role.

As discussed in previous chapters, India's agrarian crisis is marked by a polarisation between a few capitalist farmers with large landholdings and commercially viable production, and a mass of petty commodity producers who struggle to sustain themselves through cultivation (Basole and Basu 2011b; Rupakula 2016). In recent decades, the average farm size in the agricultural sectors has shrunk to 1.13 hectares, and about 80 per cent of farming households consist of marginal and small farmers who struggle to make ends meet (Dandekar 2016; Naidu and Ossome 2016). Nonetheless, agriculture remains the largest employer in the country, and most of the rural population depends on it despite being effectively landless.

Lack of reliable irrigation threatens the subsistence of a significant share, especially in regions like the central Deccan, where rainfall is low and erratic. In this sense, the cumulating water crisis is a prism in which the relations between agrarian distress and urban development, public and private financing, and upper- and lower-caste/class domination refracts. While canals and tanks play a minor role in most parts of the country, the relevance of tube wells has considerably expanded

since the Green Revolution (see Chapter 10).⁷ Mediated by rural class and caste inequalities, this expansion is linked to groundwater's uneven appropriation and privatisation. The neoliberal reforms of the 1990s downscaled public financing of irrigation initiatives, and “the response to drought in conditions of high-risk commercial agriculture has been private borrowing to create new or deeper borewells” (Taylor 2011, 496). Between 1996 and 2014, the number of tube wells in Karnataka dry belts increased by a staggering 365 per cent, resulting in the deterioration of dry agricultural practices, which are less productive commercially but ecologically more viable (Vasavi 2020, 7).

Moreover, the uneven appropriation and use of water in the state are also shaped by urbanisation. Goldman and Narayan (2019) have identified three nested “hydrosocial regimes” which have marked the state's trajectory. Historically, Bengaluru has been sustained by the creation of a wetland environment of numerous water-holding facilities (kere/lakes, irrigation tanks, reservoirs, ponds), or what they call a “catchment-based regime”. With the expansion of the city and public industries since the mid-twentieth century, the state of Karnataka increasingly relied on loans from the World Bank to finance an infrastructure that would provide piped water from the Cauvery River (100 kilometres from the city) to meet the demand of industries and wealthy households. This second “hydraulic regime” prioritised Bengaluru over the rest of Karnataka and, in the city, the upper- and middle-class neighbourhoods (Goldman and Narayan 2019, 102). Since the neoliberal turn in the early 1990s, both land and water have increasingly turned into speculative financial assets, leading to the rise of private water markets and competition over the appropriation of groundwater, deepening the existing inequalities in access to and distribution of safe drinking water (Goldman and Narayan 2019, 104f.).

The uneven appropriation of groundwater is closely interrelated with the subsistence crisis of subaltern classes. According to the NITI Aayog, the apex public policy think-tank of the Government of India, 600 million Indians face acute water stress, about 200,000 people die every year due to inadequate access to safe water, three-quarters of Indian households do not have drinking water on-premise, and 21 megacities, including Bengaluru, are likely to run out of groundwater in coming years (NITI Aayog 2018). Within a few decades, the erstwhile ‘city of tanks’ (*Kalyanagara*) had on its paths to a global city, turned into “a place where lakes represent valuable unused real estate capture and conversion to apartments and malls, or abandoned cesspools of sewage and solid waste” (Nagendra 2016, 174).

In this context, household debt has become a double-edged sword that seemingly liberates small and marginal farmers while simultaneously pushing many of them into even more distress. A farmer on the city's outskirts, whom I interviewed in

7 Shortly after independence, there were about 5 million tube wells. By 2019, the number had more than doubled to about 12 million (Vasavi 2020, 7).

the first phase of my field research, reported how he had taken on several loans from the cooperative society and local bank to deepen his borewell and address the water shortage compromising his cultivation. Within a decade, these loans allowed him to deepen the borewell by more than 1,000 feet, from 1350 to 2500 feet (HH_Cluster_1, Pos.16). While this strategy may work for individual cases and in the short run, it produces a problematic trend. About half of Bengaluru's water supply comes from groundwater, but the extraction is not formally monitored or regulated. There are about 105,000 registered private bore wells, but probably another 200,000 unregistered ones (Goldman and Narayan 2019, 105). The cumulative debt-based deepening of bore wells thus leads to the deterioration of groundwater levels, further intensifying the water crisis. This process intensifies rural inequalities both in terms of access to water and adverse effects of lacking irrigation because the smaller share of wealthy rural households has more means to decide the race for groundwater for them. In recent years, the overdraw of groundwater, that is, withdrawal vs. recharge, stands at a staggering 378 per cent, according to some estimates (Goldman and Narayan 2019, 105). Similar trends appear in rural areas of Karnataka, where groundwater levels deteriorate at the expense of small and marginal farmers, reflecting unequal power relationships regarding control over land, water, and credit (Taylor 2013; Vasavi 2020). Moreover, the class- and caste-based marginality of farming households is rooted in the small size of land ownership and "the marginal political and social position they occupy in the immediate and larger political economies of the nation" (Vasavi 2014, 24).

Although migration may be an exit strategy from rural distress, possibly relieving the agrarian subsistence crisis through sending remittances from construction and other precarious wage labour, it is hardly an exit from the political ecology of inequality. Migrant labourers who reside in scattered slums or overcrowded colonies are most prone to the cumulating water crisis. Lack of access to safe drinking water and poor sanitation in these areas is an omnipresent and well-documented problem (Krishna 2013; Nagendra 2016, 71ff.; RoyChowdhury 2021, 108ff.). Consequently, water-borne diseases and respective effects like diarrhoea are recurrent phenomena. In cases of dehydration and exhaustion, treatment in the hospital may be necessary. Such treatment is not complicated, but it results in a financial burden that these households struggle with.⁸ Borrowing money for such additional (health) expenditure is a regular case that construction and other migrant workers have described in interviews (HH_Cluster_5, Pos.63; HH_Cluster_6, Pos. 13–16).⁹

8 It is important to notice that the most vulnerable to dehydration are babies and young children.

9 On average, the relative health expenditure of slum dwellers in Bengaluru is more than double the one that other urban households have (Roy et al. 2018).

Disease and death associated with access to unsafe water usually occur gradually and out of sight, attesting to the significance of slow violence (Bowers 2019, 25). Yet, at times this violence also becomes publicly visible. In late 2017, around 1,500 construction workers left a makeshift colony provided by their employer after several cholera cases had erupted due to unhygienic conditions in the colony, with two dozen patients admitted to the hospital and two workers succumbing to the fatal illness (Alva 2018). Notably, the slow violence of the water crisis is gendered (Nagendra 2016, 84). Women, who are usually responsible for fetching water, preparing meals, cleaning clothes, or washing children, are at the frontline of dealing with the impossibility of safeguarding household members' social reproduction without risking fatal consequences. They are also adversely affected by a lack of privacy and sanitation, often getting up before sunset to wash or defecate in the open and being forced to clean menstrual cloth in highly unsanitary water bodies (Bowers 2019; Jayaram, Jain, and Sugathan 2019).

The line between slow violence and dispossession is thin and goes beyond the water crisis. According to the ecologist Harini Nagendra, about half of Bengaluru's slums are at risk of flooding, a third are affected by garbage, and many have insufficient protection from heat (Nagendra 2016, 79ff.). All these factors contribute to the precarity of construction and other migrant workers, understood as a toxic mix of fundamental uncertainty and insecurity. This precarity is visible at the worksite but stretches far beyond, including all sites of social reproduction. One of the field sites located close to Seetarampalya Lake in Whitefields (East Bengaluru) demonstrates this accurately. The lake is well maintained, with fencing, trees and other plants. There are even benches that invite you to linger. The tank is surrounded by expensive apartment complexes and office buildings of transnational IT corporations like SAP, Dell, Hewlett Packard, Huawei and several others. The site is satirically idyllic, with ducks swimming on the lake, a rare sight for Bengaluru's dried-up or heavily polluted tanks. At first glance, the place is representative of India's Silicon Valley. Yet, a closer look exposes the proximity between wealth and poverty. An older, dried-out tank bed stretches into the scenery at the margins of the well-maintained lake, in between luxury apartment complexes and office buildings. It hosts between 40 and 50 makeshift huts with migrant workers from Mantralaya in Andhra Pradesh who have settled here recently due to the agrarian crisis.

On the one hand, they describe their location as favourable to seek work as cleaners in office complexes or washing dishes in adjunct restaurants serving India's emerging middle-class professionals. On the other hand, the location is prone to recurrent floods and associated devastations during heavy rainfalls, literally pulling out the rug from under the migrant worker's feet (HH_Cluster_6, Pos. 55–58). Consequently, their place of residence is marked by both the promise of the metropolis in the context of the agrarian crisis and the sheer impossibility of

subaltern working-class households to escape the fatal consequences of the political ecology of inequality.

Dispossession in the Name of Development

The slow violence associated with the agrarian crisis, uneven development and progressing climate change bear witness to the gradual and dispersed violence of displacement that forces masses of small and marginal farmers to secure their household reproduction through circular migration. But processes of dispossession that underpin labour migration can also be more more evident and spectacular. India's growth miracle since the neoliberal turn in the 1990s has been fuelled by the polarisation between a few large metropolitan areas and impoverished pockets, exacerbating the political ecology of inequality (Shrivastava and Kothari 2012, 230ff.). Significantly, the neoliberal era has witnessed a surge in corporate and market-driven "dispossessions without development" (Levien 2018) for the sake of appropriating natural resources, turning agricultural land into real estate, building large-scale energy infrastructure, and developing Special Economic Zones (SEZ) to attract foreign investment (Ahuja and Ganguly 2007; D'Costa and Chakraborty 2017; Roy 2023).¹⁰

For instance, the South Korean Pohang Iron and Steel Company (POSCO) envisaged building an integrated steel plant in the eastern state of Odisha in the mid-2000s. The project would have been India's largest FDI, comprising 12 billion USD. According to the corporate's plans, more than 20,000 people from eight villages would have been displaced from the steel plant and port area alone, and about 50,000 people were going to be affected by environmental destruction, loss of livelihoods or otherwise (Shah 2019, 42). After close to 12 years of resistance, local communities and civil society organizations managed to halt the plans that would have destroyed their vibrant local economy and use of commons (Padhi and Patana 2017; Shah 2019). However, in those cases where resistance is not successful and (indigenous) communities are separated from their ancestral land and their means of subsistence, people are likely to migrate in search of alternative livelihoods. Particularly, indigenous communities living in the resource-rich forest and mountain regions in the North and East of India are displaced in the name of development, continuing the legacy of colonial enclosures since the late eighteenth century

10 These trends are not exceptional for most former colonies. There are several thousand ongoing socio-ecological conflicts around land, water, and common resources across the globe where local communities fight against the corporate-led and state-backed appropriation of commons (Temper et al. 2018). However, India is certainly amongst the global hot spots of these struggles (Temper, del Bene, and Martinez-Alier 2015). For a comparative discussion of land grabs and urbanisation in the global South, see Zoomers et al. (2017).

(Parashar 2019; Roy 2023). Speaking about the reasons for Adivasis to migrate to Bengaluru, an NGO worker remarked:

“In the forest areas, tribals have become more or less evicted. Forests cannot sustain their lives. Many things are planted for timber, tea, and the like. And they are fenced out and pushed out. Many of them are migrating as construction workers, road workers, or any other domestic workers when they are women.” (CSA_4, Pos. 54)

In such cases, the protection of nature through forest reserves, national parks, elephant corridors or tiger reserves turns into a vital means of “accumulation by conservation” (Büscher and Fletcher 2015), threatening primarily the livelihoods of indigenous and other communities that sustain their subsistence from forest produce, and forcing them to migrate in search for alternative livelihoods (CSA_4, Pos. 55).

Case studies of the aftermath of dispossession through Special Economic Zones (SEZs) and similar development projects have documented how these processes intensify existing socio-economic inequalities and function as a catalyst for indebtedness with moneylenders through loss of the means of subsistence, inadequate or inexistent compensations and adverse incorporation as precarious wage labourers, especially amongst Adivasis and Dalits (Agarwal 2021; Agarwal and Levien 2020). In other words, while the slow violence of the agrarian crisis leads to cumulating indebtedness, creeping displacement, and eventual labour migration as a last resort to secure subsistence, the spectacular but by no means less common forms of development-induced displacements increase the likelihood of indebtedness through the immediate loss of the means of subsistence and the adverse incorporation into precarious wage work, for example, in the booming construction industry.

In other cases, collateralising land to access credit becomes a powerful lever for dispossession. One of the migrant labourers I interviewed in Bengaluru had reported how he had taken a loan of Rs. 150,000 from a commercial bank to turn cultivation to cash crops (cotton) and another Rs. 30,000 from an MFI to finance the medical treatment of his wife, who had diabetes. He used the five acres of land in the surroundings of Mysuru as collateral, and after a crop failure, he left the land with his brothers to come to Bengaluru as a daily wage labourer. His average earning in the city was Rs. 9,000 per month. Although the bank had not yet expropriated him, he expressed a constant fear of not being able to service the two loans and losing the land eventually (HH_Cluster_3, Pos. 21). These dynamics point to the multi-causal connections between dispossession and indebtedness, which is also known from many other regions in the global South.¹¹

11 Similar dynamics concerning the connection between land expropriation and indebtedness can also be witnessed in other contexts, like South Africa, Chile and Cambodia (Ar-

The enclosures of common land and resources are by no means limited to rural areas far off the metropolis. As Michael Goldman (2010, 2020) has demonstrated, land acquisition and dispossessions at the fringes of Bengaluru have increasingly taken a speculative turn with rapidly rising real estate prices and a complex web of public, parastatal and private institutions invested in the debt-financed development of “the next world city”. While some peri-urban farmers may benefit from rising land prices through land brokerage, leasing or selling land, the distribution of rewards and upward mobility remains highly uneven and are overshadowed by caste- and class inequalities (Rajeev and Scherrer 2021; Schwind and Altröck 2023; Upadhyaya and Rathod 2021). Notably, contemporary urban planning in Bengaluru around highways, metro lines, office parks, residential areas, and SEZs is aligned with the imperatives of capitalist growth, with little regard for the subsistence prospects of subaltern working-class households (Rajesh Bhattacharya and Sanyal 2011; Goldman 2010; Nair 2014).¹²

Even though processes of dispossession can be the primary reason for migrants to settle and search for livelihoods in the city, their new habitat is not necessarily an escape. Many interviewees have emphasised how they are constantly threatened by displacement since settling in the city (HH_Cluster_6, Pos. 29; HH_Cluster_5, Pos. 60). Because Bengaluru is characterised by scattered and comparatively small slums with often only a few shacks, displacing slums for the sake of real estate development or extending urban infrastructure is relatively convenient for state bodies and private corporations. For instance, one of the smaller slums I researched in Kodigahalli (North Bengaluru) houses almost exclusively construction workers. About 200 people had settled in a small niche between the railroad, a high-rise office building and a novel apartment complex just a few months before (see Picture 4). However, this place was not their first destination in the metropolis. Previously, they had camped less than a kilometre away but were displaced without much notice or compensation due to the building of yet another apartment complex. Since they had neither a land title nor were they registered with the KSDB, their insecure residency has never been officially recognised (HH_Cluster_5, Pos. 61).

boleda 2015a; Bond 2013; Green and Bylander 2021). In Cambodia, which has arguably turned into the most dynamic microfinance markets in the world in recent years, over-indebted peasants also increasingly resort of work as precarious migrant labourers in construction (Natarajan, Brickell, and Parsons 2021).

12 For instance, the Bengaluru-Mysuru Infrastructure Corridor (BMIC), a privately built and operated 119-kilometres tolled expressway, connecting the two cities, is likely to have displaced around 200,000 people in the adjunct villages (Goldman 2010, 11).

Picture 4: Makeshift Settlement of Construction Workers in Kodigahalli; 2019



Source: private archive.

But even for the notified slums, the politics of “speculative urbanism” (Goldman 2010) may be detrimental. As an NGO working with slum dwellers describes it, the tendency is to relocate slum dwellers to the periphery of the city where land prices are lower, while the “land broker state” (Levien 2018) may benefit from escalating real estate prices:

“Another thing is that when slums need to be developed a lot of time land rights are a major issue. Because they are being shifted to very far away. And in the city real estate goes up, so they are shifting slums to 30–40 kilometres away. That approach we are also not very happy with. Because the slum dweller’s livelihoods usually is around the slum, whether they are domestic workers, or construction workers, or auto rickshaw driver, whatever jobs they are doing. [...]” (CSA_1, Pos. 21)

Logically, the effects of distant relocations have detrimental consequences for migrant workers’ livelihood. Starting anew in an entirely different part of the city or commuting long distances to their old worksites further drains their limited time and financial resources.¹³

13 This processes of displacement and relocation are marked by a double standard. Whereas the building of high-rise apartments, office parks or shopping malls, which primarily address

The constant threat of dispossession in various forms is entangled with the uneven development of rapid urbanisation. Financial imperatives of debt-fuelled development and market-oriented urban planning contribute to converting land and water into speculative assets, exacerbating the subsistence crisis of the masses (Goldman 2020; Ranganathan 2021). In this context, the dominant rationale of “marketized improvement [...] seeks to impart values of financial responsibility on informal subjects, while also serving to justify the state’s long-standing failure to invest in affordable housing and services, while also producing forms of social and spatial difference” (Ranganathan 2018, 16). Consequently, the financial risks and obligations to access decent housing, safe drinking water, health care facilities or education for children are offloaded to super-exploited migrant workers, who essentially build and maintain the city. Still, in many cases, they cannot afford these services from their meagre wages – forcing them to take on debts from various creditors. In other words, the exclusion of migrant labourers from accessing (urban) commons and public infrastructure forces them into market-based social reproduction. Dispossession thereby also forms a vital background conditions upon which financial inclusion, primarily understood as widened access to credit, emerges as a sensible development intervention. Having no means of subsistence or valuable assets, dispossession dynamics also lower the respective workers’ credit rating (Breman 2019, 242). These problems become even more virulent by excluding migrant workers from welfare schemes.

Exclusionary Welfare & Market-Based Social Reproduction

The previous section has demonstrated how the speculative nature of urbanisation, in which land and water are increasingly treated as assets, excludes migrant workers from access to common land and water, increasing their market-mediated reproduction. Likewise, many migrant workers remain excluded from public social security schemes. While government programmes may be accessible on paper, multiple obstacles are linked to migrant labourers’ precarious livelihoods that prevent them from benefiting from such schemes. For instance, access to medical, sickness, maternity, disablement, dependants benefits, funeral expenses, disability and death insurance or basic pension through the Employee’s Provident Fund (EPF) and the Employees State Insurance (ESI) requires 240 days of continuous work, which is the rare

upper-caste/class households, is justified in public discourse by the necessity of urban development, migrant labourer’ settlements in dried-out tank beds or next to water bodies are frequently framed as “illegal encroachers” or “unclean, petty criminals” (Ranganathan 2021; Upadhyaya and Rao 2022).

exception of daily wage labourers.¹⁴ And specific schemes for construction workers, like the Building and Other Construction Workers Act (B&OCWA), are famous for ineffective implementation (Pattenden 2016, 81; Srivastava 2018, 127).

Furthermore, urban land valuation is intimately connected to construction workers' insecure residence/housing and exclusion from government schemes. With escalating real estate prices, rents are increasing, even in basic makeshift settlements. While (migrant) workers in notified slums would pay between Rs. 2000 – and Rs. 4,000 rent per month, excluding water and electricity (CSA_4, Pos. 44–46), recent migrant workers tend to erect temporary accommodation from stones, bulky waste, blue plastic and tin sheet. Even for staying in these, they must pay between Rs 400 and Rs. 500 per month to the private landlord who claims the land their own, excluding additional expenses for accessing water or electricity from neighbouring households (HH_Cluster_6, Pos. 20). In the latter cases they don't get formal tenancy because landowners are speculating on appropriating financial gains once the slum becomes notified (see also Upadhya and Rao 2022). As discussed in the previous section, insecure tenancy creates a constant threat of being displaced. But it also affects their ability to access public social security schemes adversely:

“Because in this process, what happens sometimes, what we have experienced in the slums, the real owner doesn't allow other people to get their entitlement, like ration card or Aadhaar card on that address. Because then he has to share the land, if the land is notified. So they will take the whole family living on a piece of land, and that will be divided between all the residents. That's why they will say you are only tenants, you can stay here, but you cannot get registered.” (CSA_1, Pos. 30–32)

However, the ration or Aadhaar card acts as necessary address proof. It entitles the holder to access all relevant government schemes, including subsidised food grains through the public distribution system (PDS), old age, disability and widow's pensions, getting Bangalore Water Supply and Sewerage Board (BWSSB) water connection, admitting children to government schools, accessing governmental hospitals, and participating in slum development programmes (see also RoyChowdhury 2021, 109ff.).

Exclusion from welfare programmes exacerbates migrant worker's market dependency. This becomes particularly evident when looking at the PDS, the world's largest food security scheme, granting about 800 million people in India access to subsidised food grains. All interviewed households indicated that food and water were their single biggest expenditure. On average, slum households in Bengaluru spend around 56 per cent of their income on food and water, while another 7 per

14 See section 5.3.2 on Garmen Worker's Safety Nets for a detailed discussion of the relevance of EPF/ESI.

cent is spent on housing and health care (Roy et al. 2018). In this context, access to PDS is arguably the single most crucial welfare scheme for households who struggle to make ends meet. Since the National Food Security Act (NFSA) of 2013, priority households receive 5 kg of foodgrain at subsidised prices (rice: Rs. 3/wheat: Rs. 2/millet: Rs. 1), and the poorest households (Antyodaya) are entitled to 35 kg foodgrains per month. At the prevailing market rate of about Rs. 60 per kilogrammes of rice in Bengaluru in 2019 (HH_Cluster_5, Pos. 26–29; HH_Cluster_6, Pos. 67), the poorest households, if barred from access due to their insecure residency, would lose out on a public subsidy of basic foodgrains of roughly Rs. 2000 per month. Thus, access to the PDS amounts to something between 10 and 20 per cent of their monthly household income.

Against this backdrop, access to public social security may have a similar relevance to securing unsteady employment from the perspective of the social reproduction of precarious migrant workers. Therefore, the organisation of informal workers and collective action of parts of the subaltern working class has increasingly turned towards the state rather than towards employers in recent decades (Agarwala 2013). In this regard, the role of NGOs in filling the welfare gap and helping slum dwellers access basic amenities and public schemes has been pivotal, both from their self-understanding as well as from the perspective of migrant workers who reside in slums (CSA_1, Pos. 3; CSA_4, Pos. 36; CSA_6, Pos. 44; HH_Cluster_5, Pos. 26; HH_Cluster_6, Pos. 66). A comparative study of various slums in Bengaluru finds that households in those areas with sustained (social-work-oriented) NGO presence had on average much better access to basic amenities, including water and sanitation facilities, child care (Angandwadi), PDS and voter ID cards (RoyChowdhury 2021, 113f.).

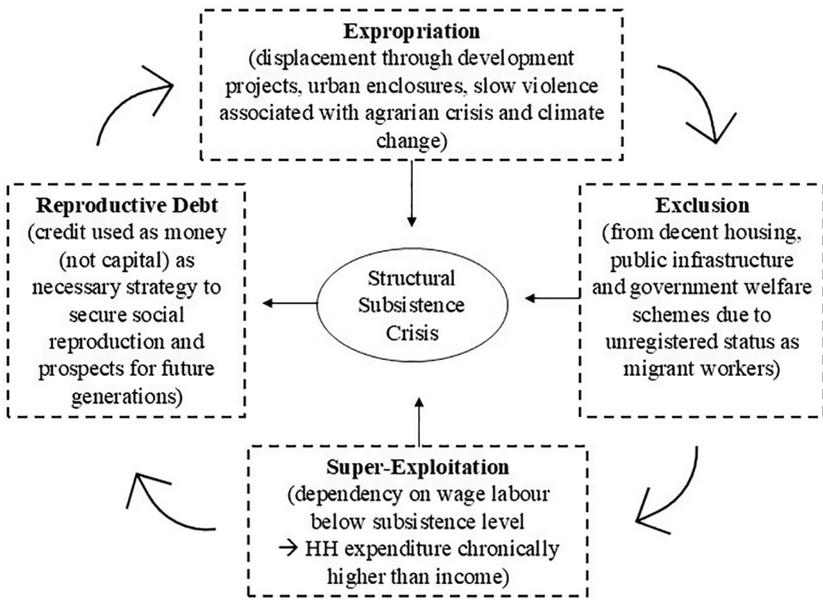
SHGs frequently play a significant role in organising and mobilising slum dwellers for collective action. However, even if these initiatives successfully reclaim public infrastructure, the prospects of breaking the dependency on market-based social reproduction are limited and local groups end up torn between state and market capture (see Chapter 11). Against this backdrop, the following section suggests that reproductive debts are both a condition and a result of the interlocking dynamics of (super-)exploitation, expropriation, and exclusion. Acknowledging this entrenched debt-distress cycle is essential to broaden the research on financial inclusion and to engage with political strategies that confront the root causes of migrant workers' subsistence crisis.

The Debt-Distress Cycle of Re/Productive Finance

Many of the above-discussed aspects, that is, the gendered exploitation of construction workers, the linkages between the cumulating agrarian crisis and distress-driven migration, the dispossession in the name of development, and the exclusion

of migrant labourers from public infrastructure and welfare schemes are well documented by diverse bodies of research. Yet, these dynamics are hardly recognised in studies on microfinance and financial inclusion (Kar 2018; Karim 2011; Mader 2015; Roy 2010). Bringing these seemingly background conditions to the fore, I suggest that the interlocking dynamics of expropriation, exploitation, and exclusion explain the massive demand for microcredits amongst those at the bottom of the pyramid. As such, they are essential to understanding how and why microfinance could proliferate so rapidly in India.

Figure 14: *The Debt-Distress Cycle of Re/Productive Finance*



Source: own illustration.

Figure 14 illustrates how the three exes (expropriation, exclusion, exploitation) cumulate to intensify a chronic subsistence crisis amongst subaltern working-class households through increased market-dependent social reproduction. The separation from sufficient means of subsistence and the exclusion from public social security forces masses of rural-urban migrants to sell their labour power daily through a highly exploitative contracting system, which in most cases results in monthly incomes insufficient to meet necessary expenses. In such a context, reproductive debts emerge or consolidate as an essential survival strategy. The visualisation is consciously designed as a circle to show how enmeshed these dynamics are. Rather

than a linear process with a clear beginning and end, the cycle demonstrates multiple potential entry points and reverse causality flows. For instance, dispossession from land may result from (reproductive) debts, as discussed in the section's opening. Likewise, reproductive debts can further intensify the chronic subsistence crisis it seeks to manage, as will be discussed in the following chapters.

Notably, the debt-distress cycle of migrant workers' livelihoods suggests a *systemic* relation that underpins the contemporary neoliberal regime. In this regard, it may be a vicious circle for many migrant workers. Based on more than 50 years of field research on India's transforming working class, Jan Breman seconds the relevance of the nexus between distress-driven labour migration, chronic indebtedness and vulnerability to super-exploitation. Initially, labour migration might be envisioned as temporary or circular, but in many cases, migrant workers are trapped in a seemingly endless cycle of dispossession, debt and immiseration:

“These footloose labourers hang around the city's outskirts because indebtedness at home forces them to migrate in search of work. They try to sell their labour power in order to pay back the money borrowed from big farmers or traders and needed to afford life-cycle events (mainly marriage) or housebuilding or to cope with adversities such as illness, disability and old age in the family. These debts can run up to one lakh (100,000) rupees, a liability that is a heavy burden because of the extremely high rate of interest – which may lead to the doubling of the debt for the least credit-worthy ones within a year. Failure to comply with payment of regular instalments is a slippery slope that ends in complete bankruptcy. It comes as no surprise that such mishaps result in breaking away from the village and moving the whole household on a more permanent footing to the illegal camp at the city's periphery.” (Breman 2019, 228)

Although their informal work is associated with high fluctuation, hardly any command over the labour process and a change in working sites, many migrant workers are tied to their contractors or employers for years. Debt relations, for example, through advance payments, play a significant role in dominating and exploiting cheap labour (Breman 2019, 184; Srivastava 2018, 122). This mode of subordination has striking similarities with the traditional bonded labour system, which has sustained rural economies across India for centuries through personal patronage and super-exploitation of labouring classes along caste-based lines. In trying to grasp the continuities and changes, including the increased relevance of market and money-mediated relationships of unfree labour in contemporary India, agrarian and labour scholars thus speak of “neo-bondage” (Breman, Guérin, and Prakash 2009). Of course, indebtedness does not *per se* define unfree labour. But if debt re-

relationships significantly restrict (migrant) workers' freedom, wages and bargaining power, they may turn into bonded labourers (Guérin 2013, 411).¹⁵

Understanding the debt-distress cycle as a systemic pattern allows us to account for multiple debts of precarious migrant workers, including relationships of dependency and exploitation with rural moneylenders, urban employers, microfinance institutions, and others. Ultimately, all these reproductive debts are associated with household strategies that seek to safeguard the social reproduction of subaltern working classes (van der Linden 2023, 111). The following section will engage with the intricate workings of juggling debts to understand how these strategies play out.

15 Ironically, this debt bondage to middlemen who might place them hundreds of kilometres far away from their native place to get them working at various construction sites can be understood “as a protective safety net for the labourers who otherwise has to resort to the upper caste moneylenders in the village and take loans at usurious interest rates” (Chauhan 2022, 96f.). For a similar discussion around microfinance indebtedness and unfree labour in Cambodia, see Natarajan, Brickell, and Parsons (2021).