Chapter 14
Caring for Debts...for Life

The previous chapter highlighted the debt-distress cycle that underpins migrant labourers' demand for credit, drawing on the experiences of construction workers. If the latter is an invisible workforce in the "city of shadows" (RoyChowdhury 2021), another segment of India's fragmented working class is even less accounted for. An estimated 400,000 domestic workers are reproducing life and labour in the city daily (Menon 2020). This part engages with the invisible, essential, and devalued nature of domestic work as an entry point to highlight how the proliferation of commercial microfinance is underpinned by the complex work of caring for debts. It highlights the contradictions of the formal/informal binary of the financial inclusion discourse, discussing the relational rationalities of indebtedness. Ultimately, this investigation allows us to understand the inherently exploitative dimensions of reproductive debts, in which corporate MFIs play an ever more critical role.

Invisible, Essential, Devalued: The Nature of Domestic Work

The invisibility of domestic workers in India is manifested in many ways. For instance, there are no reasonable estimates for the share of reproductive labour in urban areas as part of the GDP, and the accounting of domestic workers in official statistics remains patchy (Neetha and Palriwala 2011). According to the National Sample Survey (NSS) from 2011–12, roughly 4.13 million, overwhelmingly women, worked in the households of others (Joseph, Natrajan, and Lobo 2019, 100). In the first decade of the new millennium, the number of private homes with employed persons increased fourfold across the country (Neetha 2019, 35). This boom must be understood in the context of jobless growth, rapid urbanisation, and a relative decline in men's contribution to household income through the casualisation of wage work in the informal economy (Basole and Basu 2011a; Neetha and Palriwala 2011). Frequently, the wives of construction workers in Bengaluru and other megacities complement the household income through paid domestic work in different private homes.

The growth of domestic workers in India's megacities is attributed mainly to the increase in live-out and part-time workers.[1] Given the predominance of Brahmanism, it is hardly surprising that this labour is considered polluted and thus attributed to those at the margins of the caste-based social structure – namely Dalits and Adivasis (Wadhawan 2013). Although there are no official figures, all interviewed civil society organisations involved with domestic workers in Bengaluru confirmed that most of this workforce comes from Dalit communities. Their work is considered non-skilled and usually not even recognised as work. Yet, it is labour-intensive and operates under considerable time pressure, including managing multiple tasks in many different households during a workday. Domestic workers are frequently expected to support childcare, assist in cooking, or perform other chores as subsidiary tasks, although these never form part of the negotiation.

Since private homes are not officially recognised as a worksite, domestic workers are often not considered workers by the state and their employers. Most labour laws and social security benefits do not apply to them, and arguably, their working conditions are amongst the most informalised among India's working class (Joseph, Lobo, and Natrajan 2018; Neetha and Palriwala 2011). Notably, the degree of personal dependency from employers, from recruitment to bargaining for wages to negotiating for leave, bonus, or advances[2], is much higher than for construction, garment, or other informal sector workers. This can be partly explained by the history of domestic work, which emerged from feudal patronage relationships informed by caste hierarchies. Despite a significant change towards market-mediation of domestic work and official changes to an employer-employee relationship, these feudal hierarchies continue to undergird contemporary working conditions:

> "It is still the feudal notion of that work. Most of the workers are part of the Dalit community. Because the Dalit community used to work on the lands, they were landless labourers, therefore the whole emergence of this sector emerged from that. Domestic work was seen as cleaning work. Therefore, it is all the more devalued. Because in the caste hierarchy of our society, we have the notion of high/low and purity/pollution and mental/physical division of labour. Once this is in the psyche of society, anything you do for work – for example, Dalits clean the toilets in domestic work. Women clean the toilets, but they are not allowed to use them.

1 Other important sections of domestic workers include cooks, nannies, and live-in domestic workers. However, overall and especially in urban areas, the share of housemaids is by far the largest (Neetha and Palriwala 2011, 102).

2 The exploitation through placement agencies is similar to the construction sector, e.g. no transparent terms of employment, collection of salary from employer, fraudulent brokerage expenses, travel costs, boarding, and so on (Neetha and Palriwala 2011). However, it is further aggravated through endemic gender-based violence, and, in the case of live-in workers, cases of human trafficking (CSA_6, Pos.24).

They do the most menial of the tasks, but they are not allowed to enter the Pooja room or the kitchen. Even for kitchen work, they will employ the upper-caste domestic workers, for the cleaning work they will employ Dalits." (CSA_6, Pos. 4)

As is evident from the quote, the exploitation of domestic workers is organised around Brahmanical hierarchies, which fragment the precarious working class, their tasks, valuation and social recognition along caste-based lines. While cooking has increasingly become a status symbol for middle-class urban households, these domestic workers are on-trend, recruited from within the caste order, and in comparison, better paid. On the other hand, cleaning remains a polluted task for the outcastes (Dalits), which results in the lowest valuation and treatment of this segment of domestic workers (CSA_4, Pos. 59–60). These multiple relations of oppression allow for fragmenting the precarious workforce and for keeping labour cheap and flexible: "Part-time is very scattered, very flexible, maids work in ten houses, some women work 15 houses per day because she must earn Rs. 15,000 [per month]" (CSA_6, Pos. 24).

In addition to the general pattern of caste-based and gendered class exploitation, the concrete working conditions reinforce personal dependency and the devaluation of work. In contrast to a construction site or factory, where you meet and interact with co-workers, domestic workers are usually employed on an individual basis in a household, where the work (including its surveillance and abuse) takes place in a private space:

"In the informal economy workers are so scattered, and domestic workers are the last end of the unorganised sector. […] They work in different households, different homes, different employers, they have no tools of production. In the whole sector of the work history, they are not considered as a productive workforce, and they don't think of themselves as a productive workforce because the sector is like that. It's a very personalized, individualized type of work where I will go and work for an individual employer. If that individual employer is nice to me, he's nice." (CSA_6, Pos. 3; see also CSA_4, Pos. 30)

These circumstances create a favourable climate for infringing on worker and human rights beyond law enforcement through the denial of wages, virtual incarceration in the employer's home, refusal of leave because of payments made by the employer to an agency, and sexual harassment and gender-based violence (Neetha and Palriwala 2011, 111).

In recent years, the increased market mediation of domestic work has meant that tasks and hours are more clearly defined and related to specific monetary wages. Moreover, the employing households in the city are not necessarily only upper caste as compared to rural areas (CSA_4, Pos. 31; CSA_6, Pos. 7). However, personal dependencies between employers and employees remain key due to the intimate nature of the work, the specificity of this labour market, and its relative exclusion from state social security. During the lockdown amidst the COVID-19 pandemic in 2020, most domestic workers in Bengaluru were told not to come to work; the vast majority did not receive any salary for April and about half of the workers above the age of 50 lost their jobs (Menon 2020). The structural violence underpinning the exploitation of paid care work is particularly pronounced amongst upper-class/caste households. In Kormangla, at the centre of Bengaluru, the National Games Village (NGV) comprises more than 3,000 apartments for bank officials, judges, army officers and other top-level government civil servants. Just opposite the site, a large slum stretches into the city, and provides a cheap labour force that maintains these apartments. Referring to current labour struggles and complaints at this site, an NGO worker involved in organising maids said:

> "Some of the worst culprits are in the judicial apartment block. And all the judges think they are above law. There is no leave facility, no bonus. Even police officers and IAS officers behave like that. You come to private apartments, you may find a few who treat their workers well, but none of them think that giving them weekly off is necessary for a domestic worker [...] Often they will ask them work for one hour and then they make them work for two hours. Therefore, the effective wage is low. [...] So that kind of conflict arises with domestic workers." (CSA_4, Pos. 34)

In this regard, domestic workers are not only the most vulnerable amongst Bengaluru's precarious migrant labourers. They are also torn between a limited and specified contractual relationship and personal dependency, producing a peculiar relationship of exploitation and an ambiguous class position (Joseph, Natrajan, and Lobo 2019, 106).

Moreover, the working conditions also pose a severe challenge for organising the workforce and even for workers to understand themselves as workers, not servants or a subordinate part of the employer's patriarchal family. Yet, the rise of apartment complexes and gated communities in urban areas has led to a proto worksite, where apartment gates transform into factory gates, opening new opportunities for organising labour and addressing employers collectively (Joseph, Natrajan, and Lobo 2019, 107). Although the overall share of organised labour has been historically low and currently comprises not more than several thousand out of more than 400,000 workers (CSA_1; CSA_4; CSA_6), numerous trade unions of domestic workers (facilitated mainly by NGOs) emerged in Bengaluru in the past decade. Presently, there are about ten small and medium-sized unions, which can be classified into three major categories: First, conventional NGOs, which focus on the welfare rights of domestic workers. Second, traditional trade unions are affiliated with a political party and mostly lobby for state schemes/welfare concerning domestic workers. Third, labour

NGOs operate through rank-and-file organising and as community-based organisations, fighting for a living wage, a weekly off, and an annual monetary bonus around festival season (Joseph, Natrajan, and Lobo 2019).

All three core demands are intimately related to the question of indebtedness. Endemically low real wages due to specific working conditions based on gender and caste, no time off and no emergency funds or bonus payments exacerbate the subsistence crisis of this segment of India's working class, and produce a tendency where women workers must resort to reproductive debt. The intimate personal dependency that persists despite the market mediation, monetisation, and standardisation of domestic work is specific to domestic workers in Bengaluru. As a result, domestic workers frequently "depend on the employer for loans, assistance in times of emergency, and other help" (Neetha and Palriwala 2011, 107). In this sense, the case of domestic workers is interesting to investigate the promise and limitations of commercial microfinance.

Relational Rationalities of Indebtedness

The predominant discourse on financial inclusion suggests that the poor lack access to credit because they don't have bank accounts. Usually, this financial service gap is attributed to the physical distance between financial institutions and a lack of education (esp. financial literacy). Hence, policies encouraging door-to-door banking, fostering digital financial services, and organising financial literacy workshops are presented as significant game-changers in tackling the root causes of financial exclusion. Much of this rationality follows the script of the tale of the rational economic man (*homo oeconomicus*) that has dominated modern economic common sense since the eighteenth century. Accordingly, economic subjects voluntarily enter exchange relations and decide freely about the goods and services offered in markets. Feminist scholars have long criticised how such a perspective conceals the actual real-world constraints that economic agents face and renders the class-based, racialised and gendered power inequalities that inform the involuntary participation in market relations invisible (Grapard 1995; Hanappi-Egger 2014; Hooper 2000).

The bottom line of this narrow thinking is that if provided the opportunity, people experiencing poverty would eventually make more rational decisions and opt for formal financial institutions with lower interest rates compared to those of informal creditors. However, the interviews with migrant workers in Bengaluru suggest a different story of financial exclusion. Asked about what keeps them from having a bank account and whether they would perceive this as an opportunity, two women in a temporary settlement in Kodigahalli (Northern Bangalore) who had been recently displaced through the construction of a multi-story residential building responded: "Why should we have a bank account if we cannot save anything?" (HH_Cluster_5, Pos. 67). This incisive statement summarises the nearly unanimous response from all interviewed precarious migrant workers who had no bank account or who had not taken a loan from a commercial financial institution.[3] Awareness of the possibility was never an issue, contradicting the standard financial inclusion narrative. Instead, women consciously decided not to take a loan *for good reasons*. Or they decided to take loans from different sources *for good reasons* (see also CSA_7, Pos. 10).

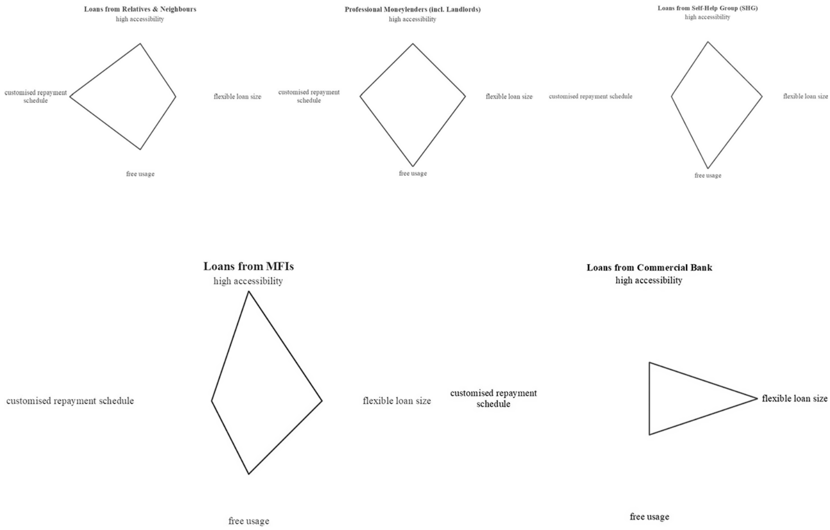
So, while voluntary exclusion from formal banking is almost always linked to a lack of income through decent work or social security schemes, access to informal credit may be more attractive even in the case of higher interest rates. Perhaps even more importantly, from the perspective of borrowers, access to credit is not primarily a choice between formal and informal institutions. Multiple forms and types of credit that converge in the household economy may be a necessary and rational reproductive strategy of subaltern working-classes (van der Linden 2023, 111). This section seeks to understand the rise and limits of commercial microfinance amongst migrant workers by moving beyond the dichotomy of formal/informal credit and rational/irrational household decision-making. In doing so, it highlights the relationality of rationality.

The notion of relational rationality challenges the conventional understanding that questions around desirable loans are primarily about interest rates or quantitative assessment related to cheap/expensive credit. Based on my empirical fieldwork, I propose a multi-layered understanding of relational rationality across four dimensions, including social barriers of accessibility, the flexibility of loan size, freedom to use loans and conditions of repayment schedules. These four criteria are justified as follows. First, I maintain that the abstract formal/informal divide or financial literacy does not primarily determine the accessibility of credit. Instead, it is a matter of *social* distance between borrowers and customers and *social* obligations and dependencies that emerge from the specific debt relations. Second, a flexible loan size is pivotal for precarious migrant workers because the needs of credit range from regular expenses for private education for children to small lump sums for house repair to major emergency expenses for surgery. Third, the freedom to use the loans for various purposes is closely linked to the second dimension. It highlights that far from the idealised image of income-generating loans, most borrowers take out loans for different reproductive needs. Finally, a repayment schedule considering the actual cash flow of respective households, sensitive to the erratic livelihoods of workers (irregular incomes, emergency expenditure, vulnerability to crises), is arguably more important than the abstract interest rate.

3 This perspective is also supported by the World Bank's Global Findex Database. The most prominent reason for not having a bank account, i.e. being financially excluded, is that those people didn't have sufficient money to engage in such financial services (Demirgüc-Kunt et al. 2018).

Against this backdrop, we can assess the success and limits of microfinance as part of a broader ecosystem. Figures 15 visualises these four criteria for different creditor institutions, explaining the advantages and challenges of each from the perspective of precarious migrant workers in Bengaluru.

Figure 15: Visualisation of Loan (Dis-)Advantages by Source



Source: own illustration based on fieldwork. The scales are deliberately not quantified because the assessment emerged from qualitative research (interviews) and primarily serves the purpose of visualising the tendencies associated with each creditor.

The relational rationality of access goes both ways. It encompasses the relationship between creditors and debtors, particularly the social interaction necessary for debts to emerge, persist and possibly disappear again. While commercial banks in India have been traditionally exclusive to many segments of the precarious working class despite bank nationalisation and priority sector lending (see Chapter 10), accessing credit from known persons in one's immediate surroundings, be it neighbours and relatives or landlords and employers, is comparatively easy. As an RBI official explains the persistence of moneylenders: "It's easy. They are from the communities. You will have 24/7 availability, and in cases of emergencies, these sources are always accessible" (RBI_2, Pos. 37). However, beyond the availability, accessibility is also mediated by the social obligations and potential dependencies that emerge from the creditor-debtor-relationship. Borrowing from local moneylenders, landlords, or employers may provide financially favourable conditions compared to commercial banks or MFIs. Still, such debts "are inscribed into a series of rights and obligations requiring multiple forms of compensation" (Guérin 2014, 45), including work obligations.

MFIs have carved out a distinct space in between this divide. As an official from the Reserve Bank of India put it, microfinance has been successful because they are a hybrid organisation "at the border between formal and informal sectors" (RBI_1, Pos. 63). They are mimicking the informal moneylenders in the sense of actively approaching borrowers, building strong social ties through regular group meetings and field staff or intermediate NGOs who know and regularly engage with these women as proxy-creditors (Kar 2018). Yet, the obligations for the collateral-free microloans imply the gendered work of caring for debts by engaging in group meetings, monitoring peers, and reporting to field officers. They do not come for free but are associated with offloading risks and responsibilities, creating multiple entrapments of women borrowers (Rankin 2002; Weber 2014; Wichterich 2017).

The relational rationality of loan usage and loan size refer to the multiple dimensions of household expenditure in relation to the subsistence crisis. I would argue that a critical reason for the popularity of SHGs and the persistence of moneylenders lies precisely in the fact that loans from these sources can be used for anything – whether it is seasonal home-repairs, steady expenditure for (private) education, or bigger lump-sums in cases of weddings or health emergencies. Commercial banks are thus less attractive not only because of the social distance described through low accessibility but also because they hardly provide for the actual needs of precarious workers, holding on to the fantasy that loans are or have been primarily used for productive investment (be in agriculture or small-scale business). For example, no commercial bank would lend Rs. 100,000 for a surgery without thoroughly checking the customer's credit rating and asking for collateral – which most of the urban working class do not have.

Once again, the success of MFIs can be explained by their business strategy to carve out a space in this context. While almost all MFIs started out with income-generating loans, usually without paying much attention to the actual use as long as repayments flowed in regularly, today, the credit portfolio offers a wide range of opportunities for reproductive finance, including loans for housing, education, emergencies, water purification and sanitation that is sensitive to people's life cycle (Kazim 2018; Mahajan 2005). Moreover, credit products are designed as an upward cascade, offering ever higher debt contracts upon repayment, as a manger from Janalakshmi Financial Services describes:

> "We look at the customers lifecycle to match and build our own products. The way we look at this, we start with a group loan, it was Rs. 10,000 to begin with. Then it went up to Rs. 15,000, later Rs. 20,000 and Rs. 25,000. With the RBI coming with guidelines post Andhra crisis, there are two MFIs who can lend up to Rs. 60,000 to

the same customers. So they take the first loan, 15 month or 18 month, two years, then they come back and take the second for Rs. 40,000 or Rs. 50,000. What happens is, it's like a kid trying to crawl and he will hold the parents hand and tries walking. And after some time, he or she will say no, you don't support me, I'll walk myself. Right? That's how we expect the kids to be. We expect the same behaviour with our customer" (MFI_3, Pos. 13)

The paternalistic tone, comparing grown-up women with kids, resonates with colonial discourses that still underpin development thinking, policy, and practice. What is striking is that the purported aim of the business model (empowering people to "walk themselves") is contradicted by the reality that social mobility through debt is considerably constrained by numerous factors beyond access to and use of credit. The cascade approach reveals that continued indebtedness, facilitated through different purposes and sizes of loans, is the primary objective of this business strategy. This dynamic points to another contradiction of the commercial microfinance model. While there is considerable scope to start with small sums (Rs. 10,000) and increase the amounts upon repayment, this strategy cannot continue indefinitely. As an industry insider explains:

> "That is also why MFIs are successful today. Because they are lending small amounts. Highest is about Rs. 30,000 – average is Rs. 25,000. And why is that people return? The only reason they are returning is because they expect a larger next round. That's the only reason people are returning. So if the government says it will lend Rs. 5 lakh under MUDRA – why should I return Rs. 5 lakh? Or Rs. 10 lakh even worse. Why should I return Rs. 5 lakh. If I borrow such an amount, I can live quite happily for three years or four years. Then comes elections and loan waivers. So why should I pay? It is the small loans that works." (CSA_7, Pos. 66–74)

If, as was argued throughout this research, reproductive debt serves as a survival buffer in the presence of a chronic subsistence crisis of India's precarious working class, and microfinance offers a unique creditor institution to acquire such debts, it is essential to highlight that there are inherent limits to this business model. Perhaps the most important is the impossibility of increasing loan sums indefinitely without risking mass delinquency. Importantly, this is not only an economic problem but also a political one, especially if excessive lending becomes politicised and state-sanctioned loan waivers risk creditor operations.

Finally, the relational rationality of repayment is perhaps the most complex dimension, interlocking with the points discussed above. When asked why moneylenders persist despite the rapid rise of microfinance, a long-standing sector expert explains that the relevance of social proximity mentioned above and the customisation of repayment are pivotal. Rather than fixing an interest rate and insisting on exact payment on time, moneylenders usually calculate repayment based on the actual cash flow of their clients: "Because they pay daily they don't feel that it's a burden to pay Rs. 100 or Rs. 150 per day. It's not a problem, whereas spending Rs. 2,000 at one point in time would be rather difficult" (CSA_9, Pos. 15). This point is also valid for landlords and employers. In contrast to MFIs or commercial banks, the former usually prioritise sustained personal dependency over the abstract value of money and narrow profit calculations.

Borrowers from professional moneylenders, landlords or employers cannot become insolvent. However, the higher flexibility in terms of repayment does not imply a less violent or power-laden relationship. While the customisation of repayment schedules allows for greater flexibility on their behalf, it may also keep them trapped in an endless cycle of debt repayment, which has been discussed in the literature as "neo-bondage" (Breman 2019; Guérin 2013). In such cases, migration or suicide/death becomes the only exit option from debt bondage. This phenomenon has marked the contemporary neoliberal regime of re/productive finance, especially in agrarian settings, where at least 300,000 indebted farmers committed suicide between 1995 and 2012 (Nagaraj et al. 2014).

The dimension of repayment schedules exposes one of the central contradictions of commercial microfinance in India. If there were a single most important criterion defining their loan product, it would be that loans are standardised in terms of tenure and size (CSA_7, Pos. 27; CSA_11, Pos. 35). This standardisation allows MFIs to operate in accordance with the rhythms of financial markets, including borrowing capital, raising equity through stock markets, and securitising their loan portfolio. Yet, the livelihoods of their customer base are marked by fundamental insecurity. The constant threat of delinquency haunts MFIs' profitability and sustainability, so peer-pressure, tight monitoring and aggressive repayment methods are endemic to the business model. The non-flexible repayment schedule is the Achilles heel of MFIs, especially in times of crisis (see Chapter 11). MFIs know that "the worst affected [by these crises] would be the ones we serve, we deal with" (MFI_3, Pos. 11). To prevent mass default and a collapse of the industry, many MFIs may temporarily compromise on strict repayment during crises like Demonetisation and the COVID-19 pandemic. However, maintaining their profit-driven business model requires resorting to coercive recovery practices and extracting revenue at the expense of debtor's livelihoods, who increasingly draw on informal credit to remain solvent (Guérin et al. 2021, 2022). This raises the question of how we can make sense of the exploitative dimensions of reproductive debts.

Exploitative Dimensions of Reproductive Debt

In the dominant discourse of financial inclusion, formal credit is usually associated with empowerment, working capital, and social participation, whereas informal lending is described as an usurious relationship. The previous section cautions against stylised imaginaries of the formal and the informal. Drawing on the distinction between money, credit and capital from Chapter 5, this section highlights the similarities and differences between various debt relations and explores the dynamics of exploitation through financial means in more detail.

There is a fundamental difference between credit used as capital and credit used as money. In the former case, borrowed money is invested, for example, in business activities, hoping that this investment generates revenue, allowing the borrower to repay the loan and keep a profit for themselves. Thus, the borrower becomes a functioning capitalist, even on a small scale. This strategy has many barriers, including small loan sums, intensive competition pushing prices down, saturation of local markets, lack of market linkages or capacities, etc. However, this type of loan theoretically allows dreaming of some poor entrepreneurs emerging from poverty with the help of access to credit. This differs from reproductive debts, where credit is primarily expended as money to purchase goods and commodified services like food, housing, or health care. In these cases, the money is not invested in the entrepreneurial sense and does not generate revenue directly. It is fictitious capital in the first and basic understanding of the term (see Chapter 5).

Even if part of the microloan is invested, as the previous chapter has argued, in a context where more than half of the country's adult population is apprehensive about not having enough money for monthly expenses, old age, education, and medical costs, it is hardly surprising that borrowing primarily serves reproductive purposes. A woman from Mantralaya in Andhra Pradesh, who had settled in Whitefield (East Bengaluru) a few years back and had to take a loan to pay her husband's appendix operation, summarises their dilemma as follows: "Whatever we earn is hardly enough for food, then how are we supposed to cope with hospital bills?" (HH_Cluster_6, Pos. 68). MFIs are very aware of the actual needs of their customer base, which is primarily credit used as money (not capital):

> "Predominantly they [borrowers] live in slums. There's no fixed cash flow coming in. They have to live on their daily wages kind of jobs. They have to do odd jobs. They don't have sufficient money to leave and see their family. […] If they are living in a slum, the hygienic conditions are very bad, water supply, electricity and stuff like that is lacking. Obviously, they need money. And that's where we come in, we play that role." (MFI_3, Pos. 11)

This statement from a manager of Janalakshmi Financial Services (now Jana SFB) shows how borrowing credit as money (not capital) is part of the business strategy of one of the largest MFIs in the country. The pressure for regular and high repayment is further enforced through the second dimension of fictitious capital. The microloans in the books of Janalakshmi and other corporate MFIs are repackaged and sold off to investors through securitisation to finance the expansion of borrowing. So, while the fictitious capital turns money seemingly effortlessly into more money ($M\text{-}M^{(+)}$), this process appears as inverse capital from the perspective of indebted women. Money is borrowed to pay for goods or commodified services. Although this investment does not generate any revenue, more money must be paid back through fees and interest. Building on Marx's famous formulation of capital, we can understand this process from the borrower's perspective through the general formula $M - C - M^{(-)}$.

At first glance, the general formula of inverse capital appears to make little sense. Since the money value is necessarily a quantitative metric, this form of circulation is like a bottomless pit. How can those migrant workers sustain a seemingly continuous drain of money? While the rhetoric of the entrepreneurial poor continues to dominate public appearance, the business model of MFIs is premised on other flows of revenue:

> "NBFCs are basically women-town-based. That's where it's easier to handle. 80% or even 90% of them are working. They are maids, they are service people, they are this and that, they need some money. So, their recovery is not from the loan investment. How much are they lending? Rs 15,000, maybe Rs 20,000? What can you do with that? Highest loan is Rs 30,000. So, they need this money to overcome some short-term credit needs, which is fine. But they don't invest in assets. And their recovery doesn't come from investment. It comes from regular work. There are five maids in our flats. They return the loans from their salaries. They will get about Rs 15,000 per month salary, and they will return from that." (CSA_7, Pos. 16)

If reproductive debts are primarily paid from wage income, the proliferation of profit-driven financial services adds another layer to the exploitation of migrant workers in the concrete labour process, taking the form of what Lapavitsas (2009) calls "financial expropriation". Notably, the rise of MFIs does not necessarily replace other creditor institutions but rather complements them:

> "So their source of money is their salary. The old system of moneylending has changed. In fact, we used to have this pawning of things, gold pawning. The other thing that has happened in a big way is microfinance institutions have come with a very aggressive growth. In fact, they are very aggressive and very bureaucratic. It's a lot of money being eaten as interest and so on. They cut their throughts, literally for the women, to pay back all this. They juggle it like that." (CSA_6, Pos. 41)

Against this backdrop, the distinction between formal (non-exploitative) and informal (exploitative) becomes questionable, if not irrelevant. Rather, different creditors engage in various exploitation patterns: Debts with moneylenders, landlords and employers usually imply domination through personal dependency and enrichment. In these cases, borrowing is generally more directly linked to the subordination of labour. In contrast, debts through SHG-BLP and MFIs are more alienated and based on objective domination (*sachliche Herrschaft*), although personal relations are crucial to the group-lending model. In the latter cases, financial expropriation runs parallel to the exploitation in the labour process. Yet, both scenarios feed on the same dynamics: Since effectively landless labour migrants usually do not have any valuable possessions, like land or gold, they must pawn their future labour capacities, forcing them to take on even the most precarious types of jobs, just to stay solvent and survive through debt. In this sense, the proliferation of access to reproductive debts generates future obligations in abstract monetary terms, which are intimately bound up with facilitating and disciplining cheap labour in the present (Breman 2019; Cavallero and Gago 2021; Natarajan et al. 2021).

Proponents of microfinance highlight that, on average, MFIs offer cheaper interest rates than moneylenders, making them less exploitative. This is an important argument, and it can explain the attractiveness of MFIs to a certain extent. However, as the previous sections have shown, there are multiple related rationalities of indebtedness and creditor institutions do not necessarily compete but complement one another. Put differently, subaltern working-class households are not only characterised by multiple income sources and types of labour pooled into the household economy. The fractured lives of Bengaluru's migrant workers are also marked by a variety of different types and sources of reproductive debts that converge. The contradictory formula of inverse capital, $M\text{-}C\text{-}M^{(-)}$, can be partly explained through the process of financial expropriation. But it is also sustained through the gendered work of caring for debts. After all, microloans do not magically (dis-)appear in the lives of poor people. As discussed in Chapter 6, if debts are not cared for, they quickly become non-performing loans.

When we explore how debts are cared for, we can also understand why and how microfinance in South Asia is gendered. The general answer to this riddle lies in Muhammad Yunus' 'discovery' that microfinance can be a profitable business case, even without collateral, *if* loans are given to women who, as a group, vouch for each other. When asked why they are almost exclusively targeting women, the CEO of a microfinance organisation based in Bengaluru gives the following explanation:

> "See, there are a couple of reasons. One is they are more creditworthy. And if I want to go through a type of group-lending mechanisms it's comfortable to do it with women because they are more coercive in nature, and we're able to do the lending comfortably. And if we look at the main anchor of the family [...] They have a central point in finance. They ensure that things are going well in the family and all." (MFI_5, Pos. 7)

The first part of the quote reinstates the continued relevance of Yunus's discovery, revealing how microfinance banks go on and reinforce gendered roles of women as docile, devotional, and naturally caring for their families and peers for the sake of profit (thus allowing MFIs to "lending comfortably"). While women's better repayment rates may appear as a result of their "nature", as suggested by the quote above, it is, in fact, the result of their work in caring for debts – going to regular group meetings, supporting and disciplining other group members, and finding additional sources of income, including further debts with other creditors, to ensure repayment. Significantly, women are described as "anchors of the family" and "centre point in finance". This point is, however, not linked to some idealised imaginary of women's empowerment through access to credit. Rather, their central role is justified by "ensuring that things are going well", and, from the perspective of profitable lending, this includes primarily ensuring that debts are serviced on time.

In explaining how domestic workers in Bengaluru manage to pay back loans despite their meagre and irregular incomes, one trade union leader said, "[t]hey juggle it like that" (CSA_6, Pos. 41). Another NGO representative involved with organising Dalit domestic workers, qualifies this juggling as follows: "They usually have three or four different sources of loans. They are juggling between loans. Taking from here and paying there." (CSA_4, Pos. 51). Juggling with debts highlights how domestic workers simultaneously engage with multiple creditors and how in this process, they are working through the relative (dis-)advantages and constraints in relation to one another:

> "It [debt] has become so part of their daily life. They don't blink an eyelid paying 5 or 10 per cent interest. We calculate how much we should pay per annum. They are so used to daily and monthly interest that its almost normal. You cannot survive without it. And they can't afford to fight any moneylender because they know they need them. In fact, they are very happy that Ujjivan and all these others have come up. I mean, not happy, but it's another source in emergencies and if they don't have work for a few days or month. And also when someone in the family is sick, or for schools. [...] They are constantly indebted. And only when it reaches extreme things, they try something new and they set up something. Loans accumulate very high, and then they repay Rs. 5,000 – 6,000 interest per month. Many get trapped into that, only servicing interest. The principal remains." (CSA_4, Pos. 53)

This statement reaffirms the internal relationship of multiple debts that cuts through the formal-informal divide and renders the latter as an analytical category irrelevant. In practice, juggling debts point to the potential symbiosis between local moneylenders and commercial MFIs, challenging the claim that microfinance allows women to free themselves from "the clutches of the moneylender" (Rajan 2005). Some MFI experts and sector insiders support this view, claiming that "[a]ll that we can possibly say is that we have created one more level of for these people to borrow. And therefore, their ability to borrow might be at better terms." (CSA_11, Pos. 35).

In the presence of a chronic subsistence crisis, the demand for money is so high that competition between creditors is not necessarily constrained (CSA_8, Pos. 12; CSA_10, Pos. 25; RBI_1, Pos.60). In this context, juggling with debt explains how different types of loans in terms of multiple sources, free usage and variegated repayment schedules are fused into one and the same household economy, cancelling each other out or reinforcing one another:

> "It is common for microloans to first be used to repay old debts. Microcredit can be used to pay off financially expensive debts. This is often the case with loans from door-to-door lenders, whose incomparable advantage is their availability and convenience—they come to individuals' homes and require no material guarantee—but in return they are rather expensive. Microcredit can also be used to repay debts that are socially degrading or which threaten a family's reputation. Social relations of caste, kinship, and gender play a key role here. As indicated above, substituting one debt with another is only partial and provisional. When it comes to repaying microcredit, insofar as it only very rarely generates new revenues, the most common option is to reborrow else-where. Households are thus entangled in endless debts." (Guérin 2014, 44)

The potential symbiosis between multiple creditors should not be misread as automatic institutional complementary. Rather, juggling debts exposes the offloading of work, responsibility and risk, producing constant tensions between different logics, trade-offs, and conflicting interests that women borrowers have to work through on a day-to-day basis (Guérin 2014, 48–49). In this sense, juggling debts is an unappreciated though necessary form of care work.

However, there is no guarantee that juggling debt always works. Caring for debts may be an essential aspect of understanding inverse capital, but it has inherent limits, which also expose the limits of the financialisation of daily life:

> "What I'm critical of is this consumption increasing, and this is something that is emerging from our studies, indebtedness is increasing. If you borrow from one person Rs 10,000 or Rs 15,000 that may be fine. But if you borrow from four-five people Rs. 45,000 or Rs 50,000 then it is a major trouble, because their income is not increasing. So they are living of loans. You may be a maid. You earning Rs 15,000 or 20,000 per month. But your indebtedness is increasing." (CSA_7, Pos. 18)

Advertisements frequently gloss over the harsh reality of constantly being on the brink of over-indebtedness. While MFIs claim to provide "a full-service financial institution to fuel their dreams" (Janalakshmi Financial Services 2018), the reality looks more mundane when talking to the staff:

> "Those women who work as a housemaid or sweepers, or vegetable sellers at the roadside in the evening, we ask them, "did you study?" and they all say, "no, Sir, we're uneducated, we studied second class or first class of fourth standard, then my family got me married, there are kids now". When we ask them "What do you want for your kids?" they will all answer that education is important. I think that's the ambition. When we ask them which medium they go to schools, is it mother tongue or English medium, and they will say we'll put them in English medium school, not in government schools. This is the ambition you can see. And they want their children to be engineers and doctors. This is exactly the same ambitions you see in the middle class or upper middle class." (MFI_3, Pos. 15)

Domestic and other precarious wage workers are toiling under adverse conditions, but they have the aspiration of a decent life for their children. This has also been a consistent topic in the focused narrative interviews. Arguably, this is even more enforced by the bleak long-term effects of social mobility that precarious wage workers face. In studying the inter-generational occupational changes amongst slum dwellers in Bengaluru, Krishna (2013) finds that children from construction workers and maids, amongst other precarious wage workers, have hardly experienced upward mobility in the past.

This is the point where we come full circle. The rapid expansion of microfinance is based on a pervasive subsistence crisis of India's subaltern working-class, and, as shown for the case of migrant workers, it is fuelled by the aspiration that debts for life contribute not only to the present survival of respective households but also to a more decent life for the next generation. Since these expenditures do not create direct revenue, repayment of reproductive debt is ensured through the entwined process of financial expropriation (deduction of wages in the present and pawning of future labour capacities) and caring for debts by, for example, juggling different sources and types of loans. Against this backdrop, A. R. Vasavi's description of entrapments through indebtedness "between aspiration and realization, between creditor and debtor, between desire and desperation, and between life and death" (Vasavi 2014, 33) captures the fundamental contradictions of contemporary financial inclusion accurately. Rather than passively accepting their subordination and exploitation marked by chronic indebtedness, juggling debts can be understood as a strategic means at the individual level to navigate these contradictions.

Significantly, these personal struggles can become related to broader social struggles. For instance, the fight of domestic workers in Bengaluru for an annual monetary bonus (rather than perks in kind) is entwined with the omnipresent reality of outstanding loans (Joseph, Lobo, and Natrajan 2018, 42). With this in mind, the following section will explore the relationship between labour and debt struggles more thoroughly, drawing on the case of garment workers. Moreover, it will explore further strategies to ensure repayment that add to the processes of financial expropriation and juggling with debts.