

## Chapter 16

### Synopsis: The Structural Violence of Re/Productive Finance in Bengaluru

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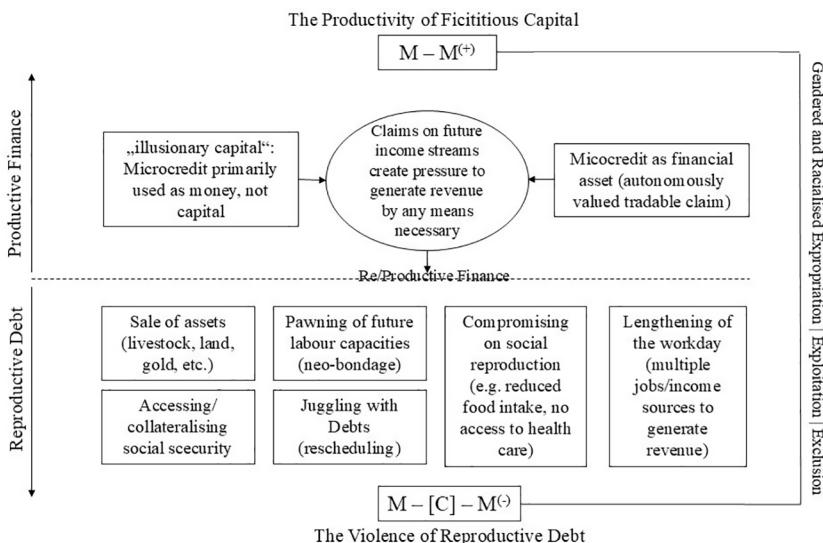
In Chapter 2, we discussed how the international development agenda of financial inclusion leveraged the financial systems approach, expanding the realm of financial accumulation to the working poor across the globe. Widened access to credit provided by profit-oriented financial institutions is portrayed as a promising strategy to reunite finance-led economic growth with social inclusion and poverty reduction. It becomes legitimised through extending *financial opportunities* to individuals/households at the bottom of the pyramid rather than focusing on redistribution of land ownership, existing wealth, or the promotion of decent work and access to commons. In this sense, expanding access to credit for so-called underserved segments of society resonates with one of the most pertinent myths in development cooperation: helping people to help themselves. The allegory of teaching men (and increasingly women) to fish is undoubtedly one of the deepest-rooted rationales of international development interventions since about the 1970s. An industry insider who has worked around questions of microfinance and financial inclusion in India for nearly five decades reflects on this trope as follows:

“When I was young, we used to say the problem in India is – in fact, my father said this – you don’t give a fish to eat. But you teach people to fish. If you give them a fish, they are dependent on you; teach them to fish, and they can sustain themselves. But after coming back to India and going to the rural areas, I discovered, even after teaching to fish, they can’t breach... Because there are so many obstacles, caste is there, politics is there, and then they reach the river the fish is already taken by someone – it’s a power system. You have to break it.” (CSA\_7, Pos. 43)

This statement exposes the ahistorical and power-blind logic underpinning such development thinking. Significantly, it raises the question of what constitutes the power system that needs to be dismantled. From the perspective of a non-profit NGO engaged with microfinance, challenging the caste-dominated and gendered power of cooperative societies and public sector banks becomes a vital task and fos-

tering SHGs appears as a sensible solution. While theoretically, there is merit in such an approach, practically, this strategy remains ambiguous and has proved prone to state and market capture (see Chapter 11). The analyses of precarious migrant workers in this chapter extend the understanding of the power system by scrutinising how precarious migrant workers live through debts and how this exposes the promises, limitations, and contradictions of contemporary microfinance.

Figure 16: The Structural Violence of Reproductive Debt



Source: own illustration.

By investigating the livelihoods of migrant workers in Bengaluru through three interconnected moments linked to construction, domestic and garment workers, this chapter, substantiated the claim that reproductive debt, that is, loans to secure the survival of household/family members, and the prospects of future generations, emerge against the background of a chronic subsistence crisis which is characterised by a structural imbalance between households' incomes and necessary expenditures. This subsistence crisis, in turn, must be understood in the context of exclusion from state social security and access to commons, the super-exploitation of informal sector workers, and the ever-present shadows of expropriation, be it in the form of displacement through development projects, urban enclosures or slow violence associated with the agrarian crisis and climate change. All these were understood as gendered and racialised processes that increase the likelihood of chronic

proletarian indebtedness and are thus associated with the peculiar relationship between the productivity and structural violence of fictitious capital (see Figure 16).

The notion of inverse capital ( $M - C - M^{(+)}$ ) challenges the myth of entrepreneurial credit. It emphasises that, from the perspective of subaltern working-class households, money is being borrowed primarily to access commodified goods and services and not for business activities. It must be repaid at a higher value, although its usage usually has no investment returns that directly generate revenue. Therefore, this process entails a contradictory drain of wealth, which underpins the productivity of financial accumulation in the form of fictitious capital. Moreover, this relationship is overdetermined by the structural violence associated with the interlocking processes of expropriation, super-exploitation, and exclusion, which drive the demand for credit as money, not capital.

In previous chapters, I have discussed six interlocking mechanisms that explain how the shadow sides of financial accumulation in the case of reproductive debts work. These include the sale of assets (land, livestock, gold, etc.) associated most prominently with the slow violence of agrarian crisis and climate change; the pawning of future labour capacities, facilitating and disciplining cheap labour; the juggling with different types of debt, including the social obligations attached; the lengthening of the effective workday through additional income sources and work associated with caring for debts; compromising social reproduction, like reduced food intake, especially for women, or withholding from healthcare; and the collateralisation of social security as discussed in the case of the EPF. Although not all six dimensions are always equally relevant for all households, they are all part of the systemic debt-distress cycle of re/productive finance (see Figure 14). As such, they also expose the ordinary structural violence of money in concrete contexts, challenging the claim of financial inclusion as inherently democratising and humanising the expansion of financial capitalism.

As mentioned at the beginning of the chapter, the illustration of three critical aspects of the structural violence of reproductive debts draws on the experiences of a specific set of workers while simultaneously highlighting these as part of a shared, shattered story. For instance, the household interviews revealed a frequent connection between husbands working in construction and their wives working as domestic workers. The specific arguments for each of these analytical sections thus often describe the lived reality of two different people in the *same* household. Moreover, work in the construction or garment sector is physically only possible for a limited time due to over-exhaustion, frequent accidents, and recruiting policies of contractors/firms. Therefore, many of these workers leave the construction/garment industry in their late 30s or 40s to become domestic workers or search for an income in the informal economy (CSA\_6, Pos.20; see also Mezzadri and Majumder 2020). Finally, the struggle around the EPF may be specific to garment workers. Still, labour struggles around access to social security schemes – whether waged on the state's

terrain or against employers – can be equally found for domestic and construction workers. And, just as in the case of garment workers, these struggles are intimately related to questions of indebtedness (see e.g. Joseph, Lobo, and Natrajan 2018). In this sense, the findings from previous chapters resonate with the livelihoods of most precarious (migrant) labourers in the informal economy, including those beyond the empirical focus, like auto drivers, waste pickers, security guards, and many more.

The structural violence of reproductive debts adds another layer to the dynamics of class exploitation, subordination and domination in contemporary India. Though distinct, it is deeply interwoven with other forms of violence that trap subaltern working-class households in a marginalised position. This violence may not always produce lethal consequences, but there are many instances where it does: remember the epidemic of farmer's suicides or how compromising on food intake, especially during a crisis, is linked to malnutrition, chronic illness, and lower life expectancy. Almost always, this structural violence is connected to the vulnerable position of precarious labourers:

"When we talk of domestic workers, we don't have a workplace. Therefore, we don't have these other amenities which are supposed to be there under the Factory's Act, like a restroom, a childcare centre. We in the slums fight for Anganwadis [child care], in an area where there are no Anganwadis. This is in 4<sup>th</sup> block in Jayanagar area, in a posh area, where the slum is. In that slum there was no amenities. So, this lady, [name], has gone to work in the apartments and it was vacation time. So normally they [the workers] lock their children when there's no one else, no other children to play with. This was a small house with just a small window there. And these two children were inside, and they got suffocated. Because it was dark, they lit a fire with newspaper, and they didn't die in the fire but got suffocated because there was no way of escaping. In that one hour where she went to work and came back, she found the children dead. Now, who should provide for her compensation? Who is to take responsibility? This is because of the lack of the creches that should have taken care of these children." (CSA\_6, Pos. 46)

The tragic case of a mother who worked as a domestic worker and her children draws our attention to the politics of exclusion – from public childcare, a living wage, and decent housing. While these issues may seem disconnected from the question of financial inclusion, the analysis employed in this chapter has argued for a broader framing through the notion of re/productive finance, in which proliferating indebtedness is studied, problematised, and challenged *in relation* to precisely such seemingly disconnected and simultaneously occurring processes of inclusion and exclusion. After all, the poor housing conditions of the masses of migrant labourers, who live in the shadows but maintain the city, is a direct result of class- and caste-based urban planning and financialised urbanisation, where land has turned into a speculative asset (Goldman 2020; Ranganathan 2021). The circuits of fictitious capital as-

sociated with investments in real estate and urban infrastructure are entwined with the constant threat of dispossession and the denial of a decent life, as was discussed at the beginning of the chapter.

Highlighting the structural violence of re/productive finance is a necessary corrective against the widely held assumption that increased access to credit will magically improve the livelihoods of the (urban) poor. If anything, the investigation of migrant labourers in Bengaluru has demonstrated how uneven capitalist development has increased the demand for credit as a means to secure market-dependent social reproduction and class oppression in the present. Challenging the exploitative nature of microfinance can thus not be limited to reforming or regulating the sector. Against this background, the following chapter will summarise the main findings of this research and discuss the political implications thereof.

