Chapter 7
A Strategic Intervention: Racial Finance Capitalism

Racial capitalism has recently experienced a stellar ascent in social sciences and public debates.[1] This section discusses the notion of racial (finance) capitalism, eschewing the binary between a culturalist and an economistic reading of capitalist development. The former may be associated with Cedric Robinson's *Black Marxism*, a foundational reference in contemporary debates.[2] According to Robinson, "Marxism is a Western construction" (Robinson 2010, 2), unable to analytically grasp the racial character of the emergence of the modern world market. He maintains that racialism, understood as "the legitimation and corroboration of social organization as natural by reference to the 'racial' components of its elements" (Robinson 2010, 2), already permeated feudal Europe and thus formed capitalist development. In reviewing the emergence of capitalism, Robinson argues that the "bourgeoisie that led the development of capitalism were drawn from particular ethnic and cultural groups; the European proletariat and the mercenaries leadings states from others; its peasants from still other cultures; and its slaves from an entirely different world" (Robinson 2010, 26). In this process, existing regional and subcultural differences were apparently turned into racial ones. While Robinson raises an important question concerning the continuities and breaks between feudalist and capitalist social orders and the relevance racial oppression played in this transition, his account of racialism and capitalism, as well as their interrelationship, remains conceptually and empirically ambiguous (Levenson and Paret 2022; Ralph and Singhal 2019; Virdee 2023).

1 For a concise overview over the conjunctural uses of racial capitalism and the contradictions of current debates, see Levenson and Paret (2022) and Kundnani (2023).

2 I would like to acknowledge that the primary aim of Robinson's *Black Marxism* was not to develop a theory of racial capitalism, although some currents engage in this fantasy. In fact, racial capitalism is only discussed in the first chapter and is largely developed through a historic review without much conceptual underlabouring. Instead, the main aim of the work is to challenge the silencing of Black Marxists within academic and public discourse, using W.E.B Du Bois, C.L.R James and Richard Wright as intriguing cases.

In contrast, David Harvey, arguably one of the most read contemporary Marxist intellectuals in the world, acknowledges that the history of capitalism is an "intensely racialised and gendered history" but still claims that these relations "are not specific to the form of circulation and accumulation that constitutes the economic engine of capitalism" (Harvey 2014, 7). He justifies this statement in a contradictory way: "The intersections and interactions between racialisation and capital accumulation are both highly visible and powerfully present. But an examination of these tells me nothing particular about how the economic engine of capital works, even as it identifies one source from where it plainly draws its energy" (Harvey 2014, 8). If, as Harvey argues, racialisation is a source from which capital accumulation draws its energy, scrutinising this process should also tell us something specific about the actual operations of capital in general and in the neoliberal era particularly (Issar 2021; Kundnani 2021).

Ironically, Harvey and others, who usually emphasise the enigmatic appearance of capital, fail to fully de-fetishise its economistic appearance in relation to racial oppression and thereby only sustain the fantasy of the "objective character of capitalist development" (Robinson 2010, 9). However, while a sophisticated engagement with Eurocentricism and racial silence within Western Marxism is undoubtedly needed, a culturalist reading of capitalist development, as employed by Robinson, primarily contributes to ignoring or obscuring the fundamental workings of this specific mode of production. Both positions represent the broader tensions in conceptual controversies around racial capitalism. In a critical review, Julian Go (2020) has usefully discussed three contradictions within current debates: (a) the sketchy and often superficial use of race and racism, (b) an imprecise or vague understanding of capitalism, and (c) a controversy on whether the relationship between race and capitalism is contingent or logically necessary. In addressing these and other criticisms, this section seeks to clarify how racial capitalism may be analytically helpful to understanding the indebtedness of subaltern working classes in India. Therefore, I will first discuss the relations between race, racism, and racialisation in the capitalist mode of production. Second, I will expand this perspective by engaging with a relational understanding of caste and race. Finally, I will outline why and how racialisation analytically contributes to understanding financial expropriation.

Race, Racism and Capitalist Development

Racial capitalism does not refer to a specific historical or geographic constellation that is distinguishable from otherwise non-racial capitalism. Rather than a residual feature, racialisation/racism is constitutive of the capitalist mode of production. In this regard, I follow Robinson's general assertion that race is a powerful rationalisation for the domination, exploitation, and extermination of those defined as Others

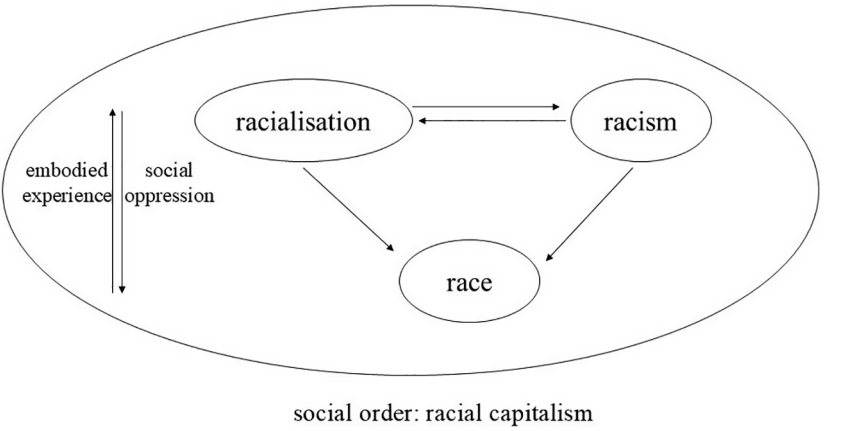
(Robinson 2010, 27). Contemporary scholarship on racial capitalism has claimed that all capitalism *is* racial capitalism because "the key dynamics of capitalism—accumulation/dispossession, credit/debt, production/surplus, capitalist/worker, developed/underdeveloped, contract/coercion, and others—become articulated through race" (Jenkins and Leroy 2021, 3). To substantiate these claims, we must first understand what race is and how it is systemically imbricated with capitalist development.

Race, broadly understood, is a power-ridden category of naturalised human difference, typically rooted in perceived physical appearance and presumed ancestry, constructing populations as groups within a hierarchy of worthiness (Pailey 2021, 31; Reed 2013, 49; Wilson 2012). A fundamental puzzle marks it. On the one hand, race is a modern social construction and ideology which does not have any natural existence, although it appears as such. In this regard, postcolonial scholars have rightly pointed to the phantasmal nature of racism, which "consists, most of all, in substituting what is with something else, *with another reality*" (Mbembe 2017, 32; own emphasis). On the other hand, despite this constructed nature, it has profound effects on racialised populations which in many cases marks the difference between life and death. Because it ascribes particular lives with less value, race makes the suffering or death of distinct populations more tolerable – or even justified (Wilson 2012, 157). Violence in all its forms remains a constant characteristic of racial orders because it is only through the permanent excess of violence that the legitimacy, necessity, and rationality of race as a modern relation of domination can be upheld, despite its inherently phantasmal, unstable and contested nature (Gilmore 2007, 247; Mbembe 2017, 46f.).

Race is analytically important because it draws our attention to the "politics of difference" (Pandey 2016), that is, the question of how amongst a myriad of potential differences between human beings, only some differences acquire meaning and thereby become socially significant (Hall 2017, 50). As such, racism is not only about exclusion. It is equally a matter of including social groups, and also about how both oppressors and the oppressed understand themselves and their position within the *same* world. Wulf Hund thus speaks of "negative societalization" to highlight how racism denies certain human beings social acceptance as equally human and thereby groups them into a homogeneous entity, allowing the perpetrators to understand themselves as a collective (Hund 2010). Likewise, Etienne Balibar has suggested understanding the heritage of colonialism and the relationship between racism and nationalism in the postcolonial era as "a fluctuating combination of continued exteriorization and 'internal exclusion'" (Balibar 1991b, 42f.). These thoughts point to the variability of racism, changing forms in different contexts.[3]

3 Historically, the phantasmal mobilisation of biological difference and its pseudo-scientific legitimation was essential for the rationality of race. While this continues to play an important role in actual practices of racialisation, many scholars have emphasised that cultural aspects

Figure 6: Racialisation, Racism and Race



Source: own elaboration.

I suggest understanding race as a product of the twin dynamics of racialisation and racism to engage with the abovementioned puzzle. Race does not exist prior to or independent of racialisation, that is, "a continuous process of ascription whereby humans are grouped (and self-grouped) according to assigned qualities that are assumed to be biologically innate" (Ranganathan 2021, 4). In other words, racialisation, in its most abstract-simple form, is the hierarchical differentiation of humanness that cuts through the social body. As such, it is a social practice involving discursive and material dimensions. Moreover, racialisation is shaped by and shapes racism, understood as the institutional ensemble of habits, hegemonic common sense and knowledge production, laws, and policies that maintain, justify, and safeguard a seemingly rational double-standard to oppress distinct social groups founded on the fiction of race.

The interrelation between racialisation and racism allows us to understand the historical and geographical malleable category of race. Figure 6 suggests the causality does not flow from pre-existing racial differences to racism as an oppressive social structure. Instead, the mobilisation of existing power relations prevailing in a social order produces changing dynamics of racialisation, racism and race. From a historical materialist point of view, production relations are foundational to understanding social stratification. Therefore, it only seems consequent that such a perspective of racism understands the production of race not simply or primarily

have increasingly dominated racialisation/racism in the post-colonial era (Balibar 1991a; Hall 2017).

as an ideology but as a distinct social relation of oppression, which despite its specificity, is rooted in questions of land ownership, division and exploitation and labour, and modes of appropriating of wealth (Camfield 2016; Virdee 2023). Moreover, although racism is lived through and embodied individually, it always targets the entire racialised group.

If, as was argued above, the twin dynamics of racialisation/racism work through the prevailing power relations in specific social orders, we can understand the systemic linkages between race and capital accumulation as a relative necessity. Jodi Melamed has summarised this point accurately:

> "Capital can only be capital when it is accumulating, and it can only accumulate by producing and moving through relations of severe inequality among human groups – capitalists with the means of production/workers without the means of production, creditors/debtors, conquerors of land made property/the dispossessed removed. These antinomies of accumulation require loss, disposability, and the unequal differentiation of human value, and racism enshrines the inequalities that capitalism requires. Most obviously, it does this by displacing the uneven life chances that are inescapable part of capitalist social relations onto fictions of differing human capacities, historically race" (Melamed 2015, 77)

Against this backdrop, I maintain that there are three significant channels through which racialisation/racism/race and capital accumulation are systemically linked.

First, racialisation and racism organise the division and subordination of labour, facilitating differential surplus extraction through dehumanisation and devaluation of human beings (as bearers of labour power). For instance, the racial fracturing of the global workforce by the nineteenth century – the high-time of European industrialisation and the purported end of slavery – into slaves, coolies, bonded labourers and sharecroppers, or precarious wage workers was an expression of how racial capitalism has been the "animating spirit" (Manjapra 2020, 7) of modern colonialism and imperialism, based upon differential exploitation and appropriation of a fragmented class of labourers (see also Linebaugh and Rediker 2000; Lowe 2015; Virdee 2019). This racialised subordination of labour under capital has not withered away with the end of formal colonialism. It has reinvented the justification and maintenance of inferior working conditions, devaluation of labour processes, and denial of fundamental citizenship rights (Bonacich, Alimahomed, and Wilson 2008; Camfield 2016). At present, the super-exploitation of workers, broadly understood as the appropriation of surplus labour beyond the subsistence needs of labourers and, therefore, the cheapening of commodified labour power is arguably amongst the most significant manifestations of racialised accumulation within an imperial world order (Gilbert 2022; Latimer 2021). In these cases, the fiction of race creates a rational double standard whereby differential treatment, rights, and privileges of racialised

groups become naturalized and de-historised (Hall 2017, 58ff.; Kundnani 2021, 65f.). In this context, race must be understood as a general logic of depreciation which is highly adaptable and often works through the state but always is integral to the valorisation of capital. Nikhil Pal Singh has succinctly summarised this point:

> "Embodied in the figures of the slave, the migrant worker, the household worker, the chronically unemployed, and the like, appropriation encompasses zones of both privatized and publicly sanctioned coercion and ethicopolitical devaluation that are inseparable from capitalist processes of valorization" (Singh 2016, 40f.)

The racialised (and gendered) operations of capital produce a fracturing and fractioning of the working class, informing distinct processes of class formation and dividing the class struggle internally, despite being part of the general form of the class struggle (Hall 1996, 339). In this sense, the dynamic of capital accumulation is also premised on the "accumulation of differences, inequalities, hierarchies, divisions, which have alienated workers from each other and even from themselves" (Federici 2004, 115; see also Hall 1986, 24, 2017, 118f.). This poses strategic challenges for organising labour and defining goals for radical politics. Thus, acknowledging the relevance of fractured lives through racialisation/racism becomes a promising starting point for analytically understanding the complexity of class oppression and strategically engaging with it.

Second, racism mediates the articulation of various relations of production, justifying and rationalising the extinction or adverse incorporation of pre-existing modes or relations of production in the context of an imperial world order. Thus, the structural violence of racial capitalism is closely interrelated with the expansionary nature of capital accumulation, invoking continuous and variegated processes of expropriation or what Marx describes as so-called primitive accumulation (Fraser 2018; Singh 2016).[4] For instance, thousands of contemporary socio-ecological conflicts around land, water, and other natural resources, in which local communities struggle against corporate capital and state-backed development policies, can be understood as imperialist relations between capitalist and non-capitalist modes of re/production (Shah 2019). In these struggles for commons, racialisation/racism is frequently mobilized to draw boundaries between productive and inefficient use of resources, work and non-work, and transformation social and society-nature relationships (Federici 2004, 61ff.), ultimately legitimising the displacement of communities in the name of progress, wealth, and civilisation (Gilmore 2007, 243). In all these cases, "capitalism must justify and mystify the contradictions built into its social relations – the promise of freedom vs. the reality of widespread coercion,

4 Expropriation is not simply theft or dispossession. It refers to the (strategic) integration of the dispossessed into the valorising logic and practice of capital accumulation (Fraser 2018).

and the promise of prosperity vs. the reality of widespread penury – by denigrating the "nature" of those it exploits: women, colonial subjects, the descendants of African slaves, the immigrants displaced by globalization" (Federici 2004, 17).

Third, racism manifests not only within the "engine of capital accumulation" (Harvey 2014, 7) but permeates capitalist social orders more broadly. Consequently, practices of racialisation and racist structures are not confined to the exploitation and expropriation of labour. Rather, they develop a relatively autonomous dynamic integral to imagining and maintaining nation-states, hegemonic modes of governing civil society and world order (Acharya 2022; Hall 1986). While it is hardly possible to understand modern racism without scrutinising its internal relation to capitalist relations of production, racism cannot be reduced to a derivate function of capital accumulation (Camfield 2016; Hall 1996). There are many instances where racism is systematic and yet not primarily functional to capitalist development. Two such key processes are exclusion and extinction. For example, racialised border regimes organise the uneven mobility of a fragmented global workforce, but the fortification of these border regimes is highly contingent upon the political dynamics of nationalism, cultural supremacy, and variegated forms of racism (Balibar 1991a; Fekete 2001; Walia 2021).[5] The racial management of migration is, of course, linked to the dispossession associated with uneven capitalist development, where imperial wars, development-induced displacement and the effects of neoliberal policies underly migration patterns. Yet, the exclusion of migrants from basic citizenship rights and labour markets can also run contrary to corporate interests. Likewise, extinction, as visible in genocidal violence, can significantly harm profitability and markets, revealing another dimension in which racism cannot be reduced to a derivative function of capital accumulation. This third dimension acknowledges that not only capital superimposes its logic on processes of racialisation and racist structures. Rather, racial oppression characterising specific social orders also informs the trajectory of capitalist development in respective contexts (Bhattacharya 2017a, 87; Bhattacharyya 2018, 103).

While Marx highlighted the commodity fetish, in which the actual labour necessary for the existence of the commodity becomes disguised by its value form appearance, a similar process can be observed regarding the mystification of racialised and gendered violence and oppression underpinning labour exploitation. Capital can never exist only in the abstract, and no labour process takes place in a social

5 Xeno-racism describes the increase of anti-migrant racism since the 2000s, in which projections of asylum seekers and other migrants are associated with culturally coded forms of devaluing entire social groups, as in the case of Muslim migrants in Europe, the US or India (Fekete 2001; Natrajan 2021).

vacuum (Bannerji 2020, 12).[6] However, the structural gendered and racialised violence concerns the concrete labour process, and these concrete characteristics are "extinguished" as abstract social labour. They do not appear as part of the commodity production but are fetishised as cultural specificity or exception from an otherwise neutral economic process. Both racial infantilisation in the form of unruliness, irrationality, the requiring of guidance, supervision and protection or feminised racialisation (the beast within, absence of reason, primordial innocence and heathen influences) constitute both the lived experience of (different) labourers as well as their vulnerability and availability to exploitation and expropriation (Bhattacharya 2017a, 89; Santiago-Valles 2005, 60).

Thus, racial capitalism allows us to understand fundamental capitalist dynamics, like "expropriation, impoverishment, alienation and formation class consciousness and expression […] not [only] as abstractions or the residual effects of a system of production but as *living categories*." (Robinson 2010, 80). In sum, the perspective of fractured lives and a focus on the gendered and racialised process of class domination and exploitation allows us to acknowledge the politics, production, and accumulation of difference as inherent parts of a fragmented whole. The strength of a historical materialist approach to racism is in understanding the social existence and social consciousness as an internally related ensemble (Camfield 2016, 43). Himani Bannerji has aptly summarised this point:

> "As it stands, 'race' cannot be disarticulated from 'class' any more than milk can be separated from coffee once they are mixed, or the body divorced from consciousness in a living person. This inseparability, this formative or figurative relation is as true for the process of extraction of surplus value in capitalism as it is a common sense practice at the level of social life. Economic participation, the value of labour, social and political participation and entitlement, and cultural marginalisation or inclusion are all part of this overall social formation." (Bannerji 2020, 12)

Moreover, the methodological implications of historical materialism outlined in chapter 4 provide a coherent framework to acknowledge the malleable nature of racism as part of the unfolding history of capitalism, accounting for a plurality of geographically and temporally specific forms of racism. As such, it also challenges the hegemonic currents of Anglo-American academia reducing racial capitalism to anti-Black racism that emerged in the context of the transatlantic slave trade (Ince 2022; Virdee 2019). To understand why and how racial capitalism also offers

6 This is methodologically important because otherwise Marx's theory of capital (exploitation) would be treated like a neoclassical model, rather than an abstract concept that tries to explain a concrete reality.

analytical insights into the Indian context, the following section will engage with the relationship between caste, race, and capitalist development.

Caste, Racialisation and Racial Capitalism

There is a particularity about caste, a mystic fog that makes it look like something ancient and incomprehensible. In contrast to race, gender, or religion, caste receives scant scholarly attention in development studies (Mosse 2018). The mystic fog around caste is so thick that even the UN Sustainable Development Goals (SDGs) speak of reducing inequalities and promoting "the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status" (United Nations 2015b, 21) – not mentioning caste at all. Likewise, the Government of India (GoI) has fiercely defended the position of the non-existence of systematic caste oppression for decades, including at the UN World Conference Against Racism in Durban (2001), arguing that the constitution outlaws caste discrimination, and hence cannot be a systemic issue in post-colonial India (Natrajan and Greenough 2009).[7] Nonetheless, caste inequality has been remarkably persistent and continues to adversely shape the livelihoods of a fifth of the world's population (Deshpande 2018; Mosse 2018; Rao 2005).

In countering this widespread ignorance, this section explores how the persistence of caste can be understood through the lens of racial capitalism. To do so, we first need to understand what caste is, how it relates to, and yet differs from race. Based on these foundations, we can explore how the notion of racial capitalism focuses our attention on the processes of the fundamental role of caste in the exploitation, expropriation, and exclusion of the working class in India. Finally, this engagement will help us to understand how poverty (finance) is "not just a question of having no money or no possessions. Poverty is about having no power" (Roy 2014, 51).

The mystification of caste is intimately related to its long history and the complexity of its character. Caste is arguably the oldest, most elaborate and fetishised system of social stratification and related oppression (Bag and Watkins 2021, 56; Yengde 2019, 7). Generally speaking, it refers to "a mode of hierarchically arranged, closed endogamous strata, membership to which is ascribed by descent and between which contact is restricted and mobility impossible" (Teltumbe 2010). In practice, it simultaneously exists as thousands of regionally specific castes and sub-castes that have historically been linked primarily to generational occupation

7 In public and academic debates, caste is often made invisible by relegating it to the past or describing it as a uniquely cultural issue of India. This line of reasoning has a long (colonial) tradition and has been very effective in depoliticizing caste oppression (Krishna 2015, 153; Wilson 2012, 43).

(*jati)* and the hierarchical ordering of these actually existing categories into four basic classes ([*chatur*]*varna)* that emerge from Hindu scriptures: the Brahmins (the priestly classes), Kshatriyas (the warrior/fighting castes), Vaishyas (the business/trading castes), and the lower-rung Shudras (the working classes: artisans, agriculturalists, food gatherer, hunters, fisherfolk, etc.).[8]

Importantly, there are two significant social groups that are not part of the four basic classes (*chaturvarna*) and yet are affected by its hierarchical order. The first one is the Dalits (*avarna*), who are beyond the pale of the varna system but still live in physical proximity to it.[9] The Dalits are not only "the Untouchables, the Unseeable, the Unapproachable – whose presence, whose touch, whose very shadow is considered to be polluting by privileged-caste Hindus" (Roy 2014, 24). At the same time, they are the undeniable basis of a social order from which they are excluded because they perform the most menial jobs necessary to reproduce society, like carrying away excrement, disposing of animal corpses or working as landless agricultural labourers. The second social group is India's indigenous population (*Adivasis*), who are organised in tribes and worship a variety of gods or cultivate a form of spirituality beyond Hinduism. Historically, they have lived in the subcontinent's dense forest and mountain regions rather than in villages and towns, but with the enclosures of commons since the late eighteenth century under British colonial rule, many tribes lost their means of subsistence and became eventually integrated as outcasts (Breman 1974; Verghese 2016).

Crucially, the caste system is not a "federation of mutually exclusive units" but rather the "parcelling of an already homogenous unit" (Ambedkar 1917), in which (Hindu) culture creates the notion of homogeneity, while at the same time hierarchically fragmenting this homogeneity. In this sense, it resembles the "negative societalization" that Wulf Hund uses to characterise racism (Hund 2010). This seemingly paradox constellation is tied together by what Ambedkar describes as "graded inequality" of endogamous groups. The caste system creates a social structure where even the low is privileged in comparison to the lower, providing a contradictory stability to this stratification (Roy 2014, 51). Brahmanism is thus not limited to the tiny fracture of Brahmins at the top of the social hierarchy, but it is an institution that enables the near impossibility of maintaining order through coercive practices like "imitation and excommunication" amongst all *varnas* (Ambedkar 1917; Yengde 2019,

8 The classification of varnas is something to be found under different nomenclature in many other regions of the world and is not uniquely Indian (Mukherjee 1999). Moreover, even though the *varnas* provide a hierarchical framework in which the *jatis* align themselves, it is important to note that the fixation of social groups is far from being static or straightforward. Historically, the social rank has been much more fluid and ambiguous than often acknowledged, with contradictory claims regarding the *jati-varna* affiliation (Deshpande 2018).

9 The Dalits are not a homogenous group but are, again, ordered hierarchically into subgroups/*jatis*.

21). The notion of purity/pollution dictating permissible food, occupation, marriage, and social interaction is particularly relevant for preserving endogamy.

Importantly, caste-based violence is systematically gendered. Because endogamy is central to maintaining caste hierarchy/purity, the "degree of control men exercise over women and the degree of passivity of the women of the caste" (Kannabiran and Kannabiran 2005, 254) structure the social order. Rather than being epiphenomenal, structural violence, including atrocities from upper castes as well as violence within the patriarchal family they inhabit, is necessary to socialise, normalise and depoliticise the gendered nature of caste oppression:

> "Subjugation of women both within and outside one's caste groups then becomes a necessary condition not only for the subsistence of patriarchy but also for the maintenance of caste purity and therefore the need to control women's sexuality through the practices of endogamy, discourses of honour etc. to maintain and reproduce norms of upper caste respectability. On the other hand, humiliation of women of lower caste becomes a means through which hierarchies are maintained." (Banerjee and Ghosh 2018, 5)

Linking these insights to the previous discussion on the gendered nature of social reproduction, caste allows us to understand the concrete operations of patriarchy and capitalism in India (Menon 2019; Rao 2005). If the gendered caste hierarchy has been fundamental for the reproduction of society for centuries, a historical materialist perspective must explain the specificity of how "Brahmanical patriarchy" (Chakravarti 2005) works within the current relations of production.

It should have become clear from the description provided above that simply understanding caste as race or substituting one with the other would be historically inappropriate, analytically flawed, and politically problematic. Caste is not defined by ethnicity, nationality, religion, immigrant status, or descent from a colonised or indigenous people; it is a unique relation of social oppression (Bag and Watkins 2021; Teltumbe 2010; Yengde 2019). Yet, over the last century, the distinctions and similarities between race and caste have been intensely debated among scholars and activists.[10] Despite profound differences, I claim that understanding caste and race

10 Scholarly debates on the difference and similarity between caste and race are vast, diverse and date back more than 100 years. In the late nineteenth century, for example, Indian scholars conceptualized caste along racial lines, linking it to Aryan/Dravidian distinctions (for an overview see Nigam 2019). Reputed scholars like Bhimrao R. Ambedhkar or Oliver C. Cox have strongly criticised the view of subordinating caste as a form of race as "gross perversion of the facts" (Ambedkar 2014). In recent years, academics from the United States have increasingly suggested that racism against Afro-American population can and should be understood through the lens of caste (for a critical review see Gidla and Horn 2021). These debates will not be reviewed here in detail. For my argument, it suffices to focus on the general similarities and differences between 'race' and 'caste' and how they can and should be understand as

in a relational way, that is, in relation to one another and in relation to the capitalist mode of production, is promising and necessary for several reasons.

Firstly, both include cultural aspects but cannot be reduced to them. They are malleable and yet persistent because they are inscribed into the relations of production and broader social order. If the analysis of caste is reduced to the religiously sanctioned practices of inter-marriage, inter-dining, purity-pollution and other such customary behaviour and perceptions, it seems sensible to understand it primarily as cultural characteristic, as "caste in itself".[11] However, historically caste has always been as much about land ownership, labour exploitation and possession of wealth. The distinguished caste scholar Anand Teltumbe has summarised this point aptly:

> "Castes [...] were neither born out of religion nor sustained by religion alone. Religion was merely one of the contributors to their sustenance. The major factor was that it provided material power to the dominant castes, in a cascading manner, which gave the descending levels of the hierarchy a diminishing stake in its continuance. Castes are thus homomorphous with the social structure itself and have enough resilience to adapt to changes in it" (Teltumbe 2018, 115f.)

Likewise, in *Annihilation of Caste*, Ambedkar seems to foreshadow debates on how race fragments the working class, arguing that "[t]he caste system is not merely a division of labour. It is also a division of *labourers*" and "it is a hierarchy in which division of labourers are graded one above the other" (Ambedkar 2014, 234). In other words, caste is inseparably linked to the foundations of political economy, to the processes of class formation, accumulation strategies and modes of exploitation that constitute and shape the relations of re/production over time. The ordinary, naturalised character of caste (just like race in other contexts) serves to rationalise "the intensification of the extraction of surplus value of the Dalits [and lower castes in general]" (Karat 2017) and to facilitate the "segregation, containment, and disciplining of Dalit labourers in space" (Ranganathan 2021, 4). As such, like gender/sexuality, both race and caste are embodied forms of oppression, shaping the (de-)valuation of a fragmented workforce in capitalism (Chakravarti 2019; Menon 2019). Thus, racial capitalism may call our attention to how capitalist development in India works *through* caste oppression and the associated racialisation of Adivasi and Muslim communities.[12] In the words of Jens Lerche and Alpa Shah, these relations of op-

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oppressive social relations intimately bound up with the dynamics of the modern capitalist world economy.

11 For a detailed critique of approaching "caste in itself", "caste and class" or "caste in class", see Mukherjee (1999).

12 The racialization of Muslims has become particularly pertinent in recent years under the hegemony of Hindutva. This trope deserves attention, but it will not be systematically in-

pression have become "integral and systemic to capitalism" (Lerche and Shah 2018, 933). They inform the concrete operations of capital accumulation through inherited inequalities of power associated with land ownership, access to capital and education, political representation and state capture, and they are pertinent in the super-exploitation of casual migrant labourers who overwhelmingly come from low-caste, Dalit and tribal segments of society (Breman 2010; Lerche and Shah 2018, 937; Shah and Harriss-White 2011). As such, a racial capitalism perspective highlights how caste oppression explains the key characteristics of the "subaltern working class" (van der Linden 2014), including the continuum between free and forced labour within the capitalist world economy.

Secondly, both race and caste are social relations of oppression that fragment the social body hierarchically, essentialising this difference through naturalising certain characteristics, thereby grading the humanness of social groups. Yet, despite their natural appearance, neither caste nor race "do things in the world" (Bhattacharyya 2018, 103); that is to say, they do not exist naturally. Of course, this does not mean that they are mere illusions. Quite to the contrary, they have profound effects on human beings and communities, which in many cases mark a difference between life and death. But these effects must be explained as a result of the twin processes of racialisation and racism/Brahmanism rather than as inherent in a pre-existing race/caste. (see Figure 7).

Like race, caste is informed by racialisation as a continuous process of ascriptive difference informed by unequal relations of power, resources, and knowledge (Ranganathan 2021, 4). Simultaneously caste is sanctioned and normalised by Brahmanism as a socio-cultural structure, including state-sanctioned and, in many cases, state-led mystification and objectification of caste (Natrajan 2021; Teltumbe 2010, 2018). Brahmanism is also sometimes described as casteism and refers to the graded *savarna* supremacy based on the logic of infection/imitation. Speaking of racism/Brahmanism as social structures and racialisations as a social practice is primarily an analytical distinction that helps understand the malleability and persistence of race/caste over time.[13] Ultimately the (re-)production of caste through racialisation and Brahmanism adds to our understanding by rendering visible and politicising the "continuous and not fixed process of recalibrating and reinstating caste hierarchy through legal, spatial, economic, and cultural logics to serve capitalist accumulation" (Ranganathan 2021, 4).

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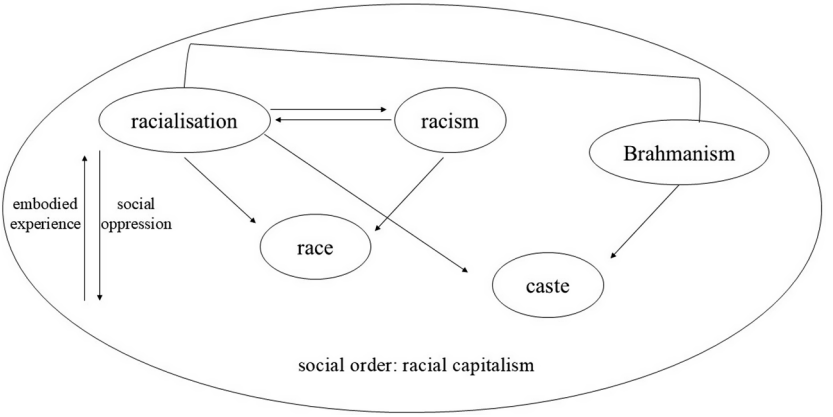
tegrated into the present analysis for pragmatic reasons. For a relational account of racialization of Muslims, Adivasis and Dalits see Natrajan (2021).

13 Methodologically, the distinction between of structure and agency is necessary to investigate the "structural elaboration" (Archer 1995) of race/caste over time.

Figure 7: Relational Understanding of Race and Caste



Source: author's elaboration.

The materiality of caste is the everyday dehumanisation, the reduction of human beings into "nonpersons, monsters, or things" (Natrajan 2021, 5) that allow for, legitimise and underpin the structural violence unleashed against these social groups. However, it is worth noting that this violence is not reducible to the economic function of racialised class exploitation, expropriation, and exclusion though it is also never entirely disconnected from the latter (Hall 1996; Natrajan and Greenough 2009, 30). In both cases, various forms of violence (lynching, rape, dispossession, etc.) serve to stabilise the phantasma of a naturally graded humanity, denying racialised groups the same entitlement and treatment (Roy 2014, 98). In this sense, racism and casteism/Brahmanism, though distinct, have similar effects (Deshpande 2018; Natrajan and Greenough 2009, 18).

Thirdly, race and caste have different historical roots, and yet the modernisation of caste must be understood in relation to European colonialism and India's integration into the capitalist world economy. The term caste is a distinctly modern appearance. It neither derives from any Indian language nor does it have a direct translation to one. Its etymological roots can be traced back to the Portuguese 'casta', which was used first by Portuguese colonisers and later by other Europeans to make sense of the subcontinent's diverse and unique social order.[14] Moreover, British colonial rule crucially codified and institutionalised the caste system within the state apparatuses, systematising and organising Indian civil society through "racial difference"

14 Virdee (2023) argues that the popularisation of terms like raza (race), casta (caste) and linaje (lineage) emerged since the fifteenth century on the Iberian peninsula in the context of the Reconsquista.

(Wilson 2012, 43). Therefore, some post-colonial scholars have suggested that European colonisers have performatively created a caste society (Chakravorty 2019; Dirks 2001). However, most caste scholars have criticised this narrow perspective, arguing that the fundamental practices of the caste system have existed for centuries, dating back to the Indus Valley civilisation (Ambedkar 2014; Bag and Watkins 2021; Teltumbe 2010).

Although the claim that British colonialism invented caste is problematic for several reasons, there are robust arguments that it played a major role in modernising, racialising and entrenching caste to churn capitalist profit (Mukherjee 1999, 1759; Ranganathan 2021, 5; Wilson 2012, 43f.).[15] It did so, however, in collaboration with the domestic upper-class/caste, as will be discussed in more detail in Chapter 9. This point has important implications for contemporary debates on racial capitalism. Most contributions have focussed rather narrowly on transatlantic slavery and the plantation economy to highlight the racial nature of modern capitalism. Yet, Europe's colonial expansion in Asia and the forceful subordination of respective regions into the capitalist world economy in the eighteenth and nineteenth century, has been paralleled by a regional-specific set of racial logics which were entwined with the caste system (Ince 2022; Khan 2021).[16] In this sense, a relational perspective of race and caste not only politicises the contemporary public and academic silence around caste. It can also broaden the US-centric debates on racial capitalism through understanding historically and geographically specific modes of racialised accumulation.

Finally, these analytical questions have important strategic implications. They point to the complexity of class analysis and struggle. Labourers are not an undifferentiated homogenous social group but a fragmented class (Menon 2019, 140). Especially feminist researchers have emphasised that these processes are not only manifestations of social oppression. They are also "embodied experiences" which crucially shape the formation of subjects, their positioning in the world, and their motivation and perception to act in particular ways (Bhattacharyya 2018; Menon 2019). Freely adapted from Stuart Hall, we can maintain that in India, caste "is […] the modality in which class is 'lived', the medium through which class relations are experienced, the form in which it is appropriated and fought through" (Hall 1996, 341). If this is the case, then the multiple forms of oppression that run through the social body necessarily produce fractured lives.[17] And this poses a serious challenge for organ-

15 Likewise, Arundathi Roy has powerfully argued that "[d]emocracy hasn't eradicated caste. It has entrenched and modernised it!" (Roy 2014, 37).

16 Arguably, the subordination of Asia has been the major breakthrough when the capitalist mode of production became truly globally dominant (Anievas and Nişancıoğlu 2015; Parthasarthi 2011).

17 Significantly, racial and caste oppression can also overlap to produce ambiguous subject positions which are simultaneously privileged in some settings and oppressed in others.

ising labourers. As Arundhati Roy notes: "Brahmanism precludes the possibility of social and political solidarity across caste lines" (Roy, 2014, 51). In the Indian context, one must therefore acknowledge the relevance of "graded/Brahmanical patriarchy" (Chakravarti 2005, 2019) "in class" (Mukherjee 1999) to be able to challenge the prevailing social order. As Brinda Karat, the former general secretariat of the All-India Democratic Women's Association (AIDWA), remarked:

> "No class struggle in India can succeed without at the same time challenging the birth based hierarchical caste system against Dalits or the specific issues that Adivasi workers face. […] Thus, class consciousness must necessarily include the consciousness of the specific exploitation that workers may face because of their caste or racial origins or because of their gender" (Karat 2017)

The complexity and contradictions of class struggle will be further discussed in the following chapters. The remainder of this chapter will synthesise the previous thoughts of racial capitalism in India, discussing how this analytical perspective is useful in scrutinising finance capitalism.

Racial Finance Capitalism in India

There is a broad consensus that the financialisation of the world economy is a significant characteristic of the contemporary era of capitalist development. While there are certainly specificities about the current type of finance-led accumulation, including the increased complexity of financial market operations through revolutions in information technology, the notion of racial finance capitalism challenges certain presentism in contemporary analysis. The term emphasises the "inseparability between racial hierarchy and the financial architectures and mechanisms of capitalism" (Ranganathan 2019, 2) as foundations of modern colonial and imperial infrastructures. The colonial expansion of European powers since the long sixteenth century, the imperialist rivalry, violent dehumanisation turning millions of Africans into commodities shipped over the Atlantic and the racialised exploitation on modern plantations has been essentially facilitated through financial innovations, like the creation of modern (central) banks, joint-stock companies, modern insurance and securitised debt (Gruffydd Jones 2013; Haiven 2020; McNally 2020).

Far from over or merely a background condition, the coloniality of finance for (capitalist) development has been reinvented under the banner of sustainable finance (Haiven 2017; Perry 2021). In these contexts, race not only serves as a logic of depreciation. It also constructs different forms of investability and bankability for financial capital seeking investments (Kish and Leroy 2015; Rankin 2013; Tilley 2020). In the global South, poverty finance is the key mechanism which enfolds sub-

altern working-class households into the circuits of (financial) capital accumulation (Bernards 2022; Kar 2018).[18] The notion of financial inclusion redefines the key problem of Development (poverty) into a financial opportunity (access to credit) by constructing ideal types of financial subjects (the unbanked). The construction of underdevelopment (lack of capital), however, relies on the essentialisation of this development problem along racial lines, depoliticising and obscuring the root causes and racialised inequalities that structure the global financial system (Alami and Guermond 2022; Torkelson 2021).

Moreover, as was outlined above, financialised accumulation is increasingly premised on innovative financial tools (like derivatives) that render all kinds of qualitatively different risks into a single metric, which allows for the commodification of risk (McNally 2011a, 110). In this process, the money fetish also conceals how different social groups are (involuntarily) turned into risk-bearers, and how the uneven distribution of risks, responsibility, integrity and bankability associated with indebtedness are glossed over by racialised and gendered discourses, including the financially underserved poor (Alami and Guermond 2022; Bhattacharyya 2018, 71ff.; Wang 2018, 125). Against this background, the political talk of financial inclusion as benevolent, modernising, and rational acts of development appears in a different light. Despite much talk of cooperation, participation, empowerment, and sustainability, a critical political economy can unveil the structural politico-economic conditions which allow for the present-day development discourse of democratising credit to appear as sensible, rational, and beneficial – but really ignoring, consolidating and, in many ways, reinforcing gendered and racialised expropriation-cum-exploitation of working-class households in global finance capitalism (Chakravartty and Silva 2012; Fraser 2018).

Racial finance capitalism thus draws our attention to the simultaneous dynamics of racialised exclusions and inclusions that underpin the contradictory expansion of predatory lending. As such, the concept enables us to understand how matters of financial inclusion/exclusion are contingent, contradictory, and conflictual. There is no a priori rule that racialised subjects must always be excluded or included. Rather, capital accumulation works through the politics of difference in myriad ways. The shift in housing policy and debt in the US can illustrate this point. In the mid-twentieth century, during the so-called golden age of Fordist capital accumulation, the practice of "redlining" allowed for the financial exclusion of Blacks from mortgage borrowing in the context of rapid suburbanisation (Taylor

18 The proliferation of household debt through microfinance must be understood in relation to sovereign debt (crises), in which neoliberal austerity policies shift costs and risks to vulnerable populations (see Chapter 2). Importantly, the nexus between sovereign and household debt did not start during the neoliberal counterrevolution but already extends to colonialism (Haiven 2020; Zajontz 2022).

2019). Several decades later, at the high peak of neoliberal hegemony in the early twenty-first century, the aggressive "expropriation through financial inclusion" (Wang 2018, 134) of Black and Latinx subprime borrowers paved the way for the biggest financial crisis in a century. In both cases, capitalism worked through its respective spatiotemporal conditions and contradictions, leading to entirely different ways of how financial exclusion/inclusion can be racialised. Likewise, Part III traces the shifting dynamics of subaltern indebtedness in India, highlighting how poverty lending has worked through different spatiotemporal conditions and contradictions.

Although Marx did not stress the racialised or gendered nature of capitalism, his understanding of "money as universal agent of separation" (Marx 1988, 138) helps us to clarify the power of money not only as a class-based form of power but equally as one that is inherently articulated with other forms of social oppression, like colonialism/imperialism, racism/Brahmanism, and heteropatriarchy. Put differently, the coercive and divisive mode of socialisation that the money form of value implies renders not only the classed-based form of power on which it is premised invisible but also the gendered and racialised conditions upon which its dynamic expansion rests. Understanding money as "the bonds of all bonds" (Marx 1988, 138) remains a powerful perspective to scrutinise contemporary financialised capitalism and its contradictions because it allows us to explain how alienated debts constantly "dissolve and bind" social ties as part of the subordination of concrete labour processes under the abstract valorisation process. Money binds us to human life, but it does so in different ways. Importantly, this is not a *quantitative* difference but primarily a *qualitative* one that often makes a difference between life and death. This veiled difference is a difference between labourers and social forms of labour (much broader than just wage labour). Notably, racial finance capitalism may unearth how the uneven distribution of financial risks is mediated by debts and systemically linked to the depreciation of labour(ers). Consequently, profits emerge from exploitation in the sense of contractually siphoning off surplus labour in the relatively visible sphere of commodity production and from the violent nature of expropriating fractured lives.[19] In *Comments on James Mill*, Marx offers an intriguing perspective for understanding this violence as a source of value underpinning alienated debts:

> "Within the credit relationship, it is not the case that money is transcended in man, but that man himself is turned into *money*, or money is *incorporated* in him.

19 In analysing the globalisation of the plantation system after the abolition of slavery in the nineteenth century, Kris Manjapra summarises this point well: "The abstract, exchangeable, sovereign, and accounted financial form of money veiled 'off the books' profits and erased extractions of life-power from colonized and terrorized flesh, blood, and soil" (Manjapra 2018, 382).

> *Human individuality*, human *morality* itself, has become both an object of commerce and the material in which money exists. Instead of money, or paper, it is my own personal existence, my flesh and blood, my social virtue and importance, which constitutes the material, corporeal form of the *spirit of money*. Credit no longer resolves the value of money into money but into human flesh and the human heart. Such is the extent to which all progress and all inconsistencies within a false system are extreme retrogression and the extreme consequence of vileness." (Marx 1844a)

By understanding how monetary debts and repayments are intimately bound up with "personal existence, [my] flesh and blood, [my] social virtue and importance", Marx highlights the ordinary, structural violence of debt relationships as a systemic feature rather than solely as a power relation between creditor and debtor. If we reckon that money is "the alienated and exploited energies and potentials of the working class now returned to them in punitive, extortionate, and, indeed, *vengeful* form" (Haiven 2020, 95), we can unmask the social violence underpinning such seemingly normal, legitimate and legal household debt. It is entirely consistent and, as I have argued above, necessary to explicitly acknowledge the gendered and racialised violence as a systemic feature of proletarian indebtedness.

How do these considerations relate to the focus on understanding reproductive debts in India? First, it is important to acknowledge that reproductive labour is far less mechanised, commodified, and state-subsidised in India compared to OECD countries (Hensman 2011; Rao 2021). Social reproduction is largely privatised, and a racial lens is important because it highlights that the labour of (reproducing) lives "remains largely the work from India's marginalised castes and classes" (Rao 2021, 49). As a result, there is a much higher dependency on commons and turning non-human natures and the physical environment for food and shelter, and increased labour time expended on fetching water, preparing food or cleaning dishes. Hence, struggles around land acquisition of land, forests, or water bodies for commercial and development interests (mining, transport infrastructure, special economic zones, etc.) are intimately bound up with understanding the crisis of social reproduction, adversely affecting communities' ability to safeguard their reproduction.

In such a context, the violence of finance capitalism in relation to working-class household debt is most visibly expressed in the vicious cycle between accumulation, dispossession, subsistence-related distress and debt (Agarwal 2021).[20] To speak of

20 Moreover, these dynamics extend across space. Households are traditionally not only nuclear families, and stretch across the rural-urban-divide, including processes of circular/seasonal migration or the relevance of urban remittances to sustain rural livelihoods (Breman 2010; Harriss-White et al. 2013; Shah and Harriss-White 2011).

racial finance capitalism in this context is to highlight that the systemic cycle of accumulation, dispossession, distress, and debt is at all stages informed by racialised and gendered patterns. For instance, the dispossession of India's subaltern population is fundamentally linked to the dynamics of exclusionary growth facilitated by development projects and has further increased the caste divides in many cases (Agarwal and Levien 2020). Moreover, chronic indebtedness emerges as an important survival strategy to manage subsistence-related distress (Agarwal and Levien 2020; Guérin et al. 2022). As a result, financial expropriation must be understood as a gendered and racialised process entangled with the broader dynamics of class exploitation, expropriation, and exclusion.

Rather than revoking money's occult power rooted in class domination, the notion of racial finance capitalism helps to refine the operations of monetary credit by acknowledging the fragmentation of the working class and the accumulation of a systematic process. This also includes scrutinising the variety of creditor institutions and concrete dynamics of exploitation that cuts across the formal-informal divide and a variety of incomes and forms of labour necessary to service these debts (see Part IV). Analysing the case of Argentina, Verónica Gago has called this the "capture of subaltern networks", emphasising that "it doesn't matter what type of work you do, what matters is that you pay your debt" (Gago 2018).

These arguments should be understood as strategic interventions into contemporary debates on the financialisation of development, tackling some of the existing blind spots and thereby opening new avenues for "Marx's open-ended critique" (Foster 2018). Money's divisive and coercive form of socialisation in the form of 'illusionary capital'[21] is a promising starting point for investigating contemporary microfinance, where credit is used primarily as reproductive debt. Moreover, the notion of crises of social reproduction helps to understand the affirmative proposition of microfinance as an existential safety net, and as a dominant development strategy to tackle the contradictions of financialised capital accumulation. Finally, the notion of racial finance capitalism helps to situate these dynamics in a broader history of racialised accumulation, highlighting how caste domination in India underpins the debt-distress cycle, which creates the demand for credit.

21 That is, the first dimension of fictitious capital, where money is used as money not capital, hence illusionary capital.