

## B O O K   R E V I E W

### **Women and Rural Credit**

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Guérin, Isabelle, Kumar, Santosh, and Venkatasubramanian, G. (2023), *The Indebted Woman: Kinship, Sexuality, and Capitalism*, Stanford University Press, California, pp. 248.

*The Indebted Woman* is a book based on an ethnographic study of household debt, with a particular focus on women, and more specifically, on Dalit women. The authors discuss their findings against the backdrop of a larger canvas of global capital markets, referring to literature from across the world and citing examples from other countries. The work draws on nearly two decades of fieldwork by the authors (from 2003 to 2022), in the South Arcot region of the State of Tamil Nadu in the south of India. The region covers the administrative districts of Cuddalore, Kallakurichi, and Villupuram in the east-central part of Tamil Nadu.

Household debt, which has been on the rise globally, is acknowledged today as an essential feature of financial capitalism (Bobek *et al.* 2023). With real incomes remaining sluggish while the cost of living (of consumption, education, health care, housing) is on the rise, borrowing becomes a means to fill the void. Examining this at a micro level, the authors argue that the economy hinges on debt and that a large proportion of this is shouldered by women. Their survey data showed that in 2016–17, out of every 100 rupees of income, an average of 48 rupees went towards debt repayment and 30 rupees towards payment of interest.

The introductory chapter sets the context, with the authors stating that the book “highlights the crucial yet invisible roles played by women in the creation and consolidation of debt and credit markets and, more broadly, in the workings of capitalist economies” (p. 1). This is followed by eight chapters that discuss the study

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approach and present some of the findings, always connecting these to the global scenario. Chapter 1 discusses the research method, which brings together ethnography, multiple questionnaire surveys, and financial diaries to capture the nature of debt, gender asymmetries, and the extent to which debt management constitutes real work. Chapter 2 traces the gradual transformation of kinship and matrimonial payment systems over the past 50 years and their growth under neoliberal policies of recent times. Chapter 3 examines the construction of dedicated credit markets for women and the sexual division of debt. Chapter 4 studies the day-to-day management of household debt and the emergence of “debt work as a new form of invisible, unpaid, but highly productive work.” Chapter 5 looks at different ways in which women use their sexuality and collateralise their bodies to establish and maintain their creditworthiness. Chapter 6 discusses how, over time, “certain privileged lenders become lovers, providing a source of credit, love, care, and sexual pleasure” to the indebted woman, and the related guilt and moral dilemma faced by her. Chapter 7 focuses on human bonding and debts that women take on with other women, where the circulation of money intertwines with friendship and care. Chapter 8, the final chapter, discusses the findings in the larger context of capitalism, kinship, and sexuality. The “indebted woman,” the authors surmise, is “an essential cog in the wheel of capitalist finance.” They conclude by calling for recognition of the mutual interdependence of sexuality, kinship, and debt in order to think of ways to end the seemingly endless debt of the indebted woman.

In the discussion on methodology in Chapter 1, the authors refer to three questionnaire surveys, the Rural Microfinance and Employment Project (RUME) in 2010 and the Network, Employment, Debt, Mobility and Skills in South India Surveys (NEEMSIS) in 2016–17 and 2020–21 (between the two Covid-19 pandemic-related lockdowns), covering about 500 households and 1,600 individuals. The sample was stratified according to caste, ecotype, and proximity to city, and questions relating to debt were asked individually and separately; the same families were interviewed over time “with each wave adding 100 families to avoid aging of the sample.” The reader is referred to the NEEMSIS website for details of the survey, and there is not much discussion of the data and findings. At another place in the same chapter, the authors state that the study area consisted of about 15 villages, further divided into *ceri* or the Dalit settlement and *ur*, the non-Dalit main village. The only survey data presented are in two tables, on the source of loan by gender and its use, in Chapter 3, which discusses the sexual division of debt. Chapter 3 discusses the growth of the self-help group (SHG) movement in the 1990s, followed by the rise of microcredit and microfinance institutions (MFI). The purpose of borrowing by women is shown separately for Dalit and non-Dalit women. There is, however, no indication of the number of men and women, and Dalits and non-Dalits, in the sample. The source is given as the NEEMSIS I survey of 2016–17 and the reader is asked to accept what is presented. While the survey findings may have been discussed elsewhere, as stated, a little more discussion within the chapter or at least an appendix with the key highlights would have been useful.

The findings presented are broadly in line with the prevailing scenario of greater dependence on private formal sector (small finance banks, non-banking finance companies [NBFC], and NBFC MFIs) and informal sources of lending (pawnbroker, moneylender, etc.), and borrowing for social reproduction and consumption purposes. Private formal sector credit is a dominant source of borrowing in Tamil Nadu. In 2019, 73 per cent of outstanding debt of rural households was reported to be from formal sources of credit, a jump from 47 per cent in 2002 and higher than the national average of 66 per cent. The bulk of this was accounted for by private formal sector credit. Village studies have also reported a high dependence on private formal sector credit (Swaminathan *et al.* 2023). It is a little surprising in this context that the authors report a higher share of borrowing from informal sources and not microcredit. Women are reported to be more dependent on pawn-broking (75 per cent) and microcredit (30 per cent), while 57 per cent of men are reported to borrow from persons well known to them. There is also no mention of different types of MFIs; they are referred to as just microcredit organisations/SHGs/microcredit NGOs, leaving the picture hazy. A large proportion of borrowing by both men and women (Dalit and non-Dalit) is reported to be for daily expenses (44 per cent and 57 per cent, respectively), followed by expenditure on ceremonies (47 per cent and 33 per cent, respectively). It is, however, not possible to make much out of this in the absence of a break-up by social group or income class. The average rate of interest is stated as being around 30 per cent, which is higher than the average of 20–25 per cent on informal loans reported in the latest round of the All India Debt and Investment Survey (Government of India 2021).

Three key insights from the study are stated by the authors in the introductory chapter itself, and they elaborate these in subsequent chapters.

The first is that the indebted woman actively contributes to the workings of financial capitalism through her debt work. The authors argue that debt management is a true form of work that is crucial for the social reproduction of households. Managing and juggling multiple debts, financial calculations, and borrowing to repay existing debts take up a substantial amount of a woman's time; this is productive labour that is invisible and unaccounted for, as is housework, and care of children and the elderly. Women employ multiple tactics to negotiate the cost of credit and remain creditworthy. Managing microcredit groups is a part of unpaid debt work and actually a type of exploitation by the capital market. Debt work is also labour that generates surplus value with interest payments being injected into the local economy and indirectly subsidising male labour income in a scenario where wages are low.

Secondly, the woman is indebted first and foremost to her kinship group and is caught, in practice, in a web of unpayable debt. This situation has worsened with the growth of capitalism, dependency on the market for livelihood, patriarchal power relations, and specific norms of kinship and sexuality. Borrowing is undertaken to meet social and family obligations (fulfilling one's duties as a mother, wife, daughter-in-law),

religious obligations, social aspirations, to pay off old debts, and to protect one's own reputation and that of the household.

Thirdly, the problem is not debt *per se* but debt subordinated to private capital and kinship. Credit is seen to offer hope of escape but actually binds the woman in an endless web of borrowing and repayment. It is necessary to understand and acknowledge this nexus in order to understand the nature of gendered debt and think about the possibilities of ending it.

The major and very disturbing insight that emerges from the book is the offering of the body (ranging from acts such as smiling and flirting to sexual intercourse) as collateral by women for debt. The book refocuses our attention on the well-documented targeting of women micro-credit borrowers by banks and MFIs and the burden of debt shouldered by women. Going further, the authors state that around the eighth year of their engagement in the study area, some of the women began confiding in them, sharing their dilemmas and doubts with regard to using their bodies as collateral for debt. In a footnote to Chapter 1, it is stated that over half the women in two of the Dalit neighbourhoods were involved in sex-for-debt exchanges. No numbers, however, are given. This revelation however led to a shift in the authors' focus from a study of microcredit policies to understanding "the use of female bodies in exchange for credit or debt repayment": an "exploration of the mutually constitutive relationships between financial capitalism, sexuality, and kinship" (p. 24). This is based on ethnographic methodology and an "improvised patchwork of methods," including financial diaries. About 10 women, all Dalit save one who belonged to the Vanniyar caste (ranked just above Dalits in the village hierarchy), the authors write, confided in them. Around four of these are discussed in detail in the book. A case of a male Dalit borrower having a physical relationship with his female creditor from the same caste is also cited, but this, they say, is an exception. Using the body as a means for access to credit ranged from presenting a neat appearance to improve creditworthiness in the eyes of NGOs and MFIs, to entering into a physical [sexual] relationship with the lender, and is discussed in Chapter 5, titled "Bodily Collateral." The indebted woman assuages her moral dilemma and guilt of engaging in sex for debt money as necessary for meeting essential expenses, including children's education, domestic expenditure, and debt repayment. In some cases, women are reported to have developed a kind of understanding with the lender and experience pleasure from the engagement, even as they grapple with the guilt of it being perceived as wrong in society's eyes, a matter that is discussed in Chapter 6.

It is stated that the sample of financial diaries is also of 10 families, "typical as regards their caste, occupation, kinship patterns, and marriages" (p. 42). The financial diary period was 10 months (from July 2017 to April 2018). Only four families (two Dalit and two non-Dalit) were from the study area and from the same village. While the case of these four families is discussed in detail with tables and figures in Chapter 4 on debt work, there is no discussion of the remaining six families and why they

were chosen from outside the study area. An interesting insight from the financial diaries is the prevalence of separate male and female financial circuits, rather than pooled financial flows at the level of the household. Women are reported to shoulder the burden of repayment of household debt, juggling multiple debts and often borrowing afresh to repay existing debts. The authors surmise, based on their financial diary analysis of the four cases discussed in the chapter, that between half to almost 90 per cent of the household debt is repaid by women.

The narrative throughout the book is interspersed with discussions of individual cases (with names and location changed to protect the privacy of the subjects), of connections with feminist literature, and of similarities with experiences of women's indebtedness in other countries. The transition in the status of Dalit women, who used to be valued as both mothers and productive agriculture workers with bride price being paid by grooms' families, is traced; over time, with the decline in agriculture, employment has declined and with it the economic "worth" of women, and dowry has replaced bride price in the region. Even as more women are getting educated and there is growing social aspiration, patriarchal norms place a high value on the role of the housewife. A narrative is woven by the authors around the dowry that brides bring, dictating their future financial obligations and entrenching them in an endless web of kinship debt to fulfil social obligations and family expectations. This is accompanied by aspirations for the education of children, good housing, employment, and social mobility of the household in an increasingly consumerist society. One of the financial diary families is reported to have had three times their annual income as outstanding debt!

There are a few overstatements in the book. For instance, the authors state that many microcredit organisations are now listed on the stock exchange and are financed on the global financial capital market. This is an exaggeration, given that of the 224 MFIs listed in the Directory of MFIs in India 2022, only around five are registered with the stock exchange (Sa-Dhan 2022). At another place, the authors state that the indebted woman has turned into an active player in global financial capital while also actively contributing to the local credit market, which is a generalisation based on a small sample study.

While the findings discussed cannot be generalised in view of the small sample of cases analysed, the book does raise new questions for further study. The arguments presented, linking debt with kinship, capitalism, and sexuality, leave one with much food for thought.

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