

BORROWING FROM THE POOR

Informal Labour, Shifting Debt Relations and
the Demonetisation Crisis in Urban India



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Introduction¹

Between November 2016 and January 2017, the government of India announced the demonetisation of large currency notes, which meant that 80 per cent of national currency units were retired as legal tender. In an unscheduled televised address, Prime Minister Narendra Modi stated that people could deposit or change their old notes in banks until 30 December 2016, and new rupee notes would be issued to them in return (see Zabaliūtė, this volume). Despite the initial confusion about the abrupt implementation of this economic measure, ordinary citizens realised that large cash notes in their possession had no value (Kumar 2016; Mukhopadhyay 2016). Giant crowds started flocking to banks and ATMs to withdraw fresh cash or exchange old notes for new denominations. The serpentine queues were unusually long and spilled over into main streets. The police had to be called in at some banks to calm down agitated people queuing for long hours in the sun. The government responded to cash shortages in the banks by reducing the amount of cash that could be withdrawn at a time, from 4,500 rupees (€55) per day to merely 2000 rupees (€25). Those who

didn't follow these newly implemented strict laws and tried to use multiple ATMs to withdraw cash had their fingers marked with indelible ink.² Average citizens struggled to purchase daily essentials without cash, and many people, despite standing in queues, could not access cash as the bank coffers ran dry after so many withdrawals.³ This fiscal policy led to massive cash shortages in both rich and poor households across the region and created the multiple cashless conditions that are the subject of this chapter. I refer to cashless conditions as the material absence of valid money in circulation (Batiz-Lazo and Efthymiou 2016; Guyer 2012; James 2014), which can influence and potentially 'recalibrate' everyday human exchanges to new economic realities and, in the context of my research, create opportunities to amend, however insignificantly, routinised models of social and monetary debt.

In December 2016, in the middle of the demonetization period, I went to meet Jayati, a low-income cook (with a salary of €6/day) who serviced several middle-class apartments in a housing colony in Calcutta, a city in eastern India. One of her affluent employers, Mrs Das, had not been able to stand in line in the scorching heat to retrieve even small amounts of new cash from the ATMs. Most of her household staff did not hold formal bank accounts, so she could not offer cheques or digital payments. Some of the migrant staff had refused to work without regular cash remuneration or returned to their villages to tide over the demonetisation period. Some others used entrepreneurial opportunities offered by the crisis, such as mediating barter exchanges for a fee (e.g., assessing whether fish could be exchanged for a bag of rice in the slums) to take a break from the low-wage service sector in the city. I was scheduled to meet Jayati in front of Mrs Das' door. I found her in conversation with her employer. Mrs Das was tearfully thanking Jayati for turning up for work every day, even though her employer could not pay daily wages.

Jayati was reassuring Mrs Das that ‘we are in it together’ and, with flailing arms, dramatically underlining the importance of the rich and poor surviving the demonetisation crisis together. Mrs Das was still in tears. She said, ‘For two months, no salary, Jayati. How will you manage? We have no cash, but take whatever you want from the storeroom. There is rice and lentils.’ While Jayati tried her best to wriggle out of the conversation and escape with me, Mrs Das was relentless. With her voice cracking with emotion, she expressed deep gratitude to Jayati. Repeatedly using the Bengali word for debt (*reen*), she expressly stated how indebted (*reeni*) she was to Jayati, who cooked food for her sick child and elderly parents-in-law in such a time of crisis. Turning to me, Mrs Das said, ‘Jayati is so kind to us. Usually she is quiet. But today I see her in new light [*natun alo*].’ She kept standing at the top of the stairs, teary-eyed, while Jayati and I walked away. Jayati paused at the bottom of the stairs and winked at me. We both burst out laughing. ‘What melodrama!’ she said. ‘New light? She has suddenly woken up to the fact that I am human?!’

This chapter ethnographically explores small shifts in the micro-politics of debt that emerged in the context of an economic crisis in urban India. Using petty exchanges and enactments of indebtedness between rich and poor urban households as a central thread, I show how certain cashless conditions can generate opportunities for both moneyed and marginalised communities to briefly reflect on—if not renegotiate—their unequal economic relations in the city. The cash debacle in India was precipitated by Modi and his economic advisors, who claimed that such drastic actions would curtail the shadow economy in the region (Dasgupta 2016), especially the circulation of illegal, ‘black’ money in the city (Ghosh, Chandrasekhar and Patnaik 2017). However, many economists critiqued the impact of this move on the urban poor, as their small-scale, cash-reliant businesses and services became

vulnerable to bankruptcy and closure (see also Dharia and Trishal 2017; Midthanpally 2017). Against the backdrop of this financial emergency, this chapter highlights the reasons why some poor slum dwellers, despite their precarious financial lives, carried on servicing a middle-class housing colony in south Calcutta. I bring forth the voices of four slum inhabitants—Jayati, Rameshwar, Gopal and Gurupada—who worked without any wages for several months. The slum area, my ethnographic landscape, was the main supplier of domestic servants, employed as temporary maids, cooks, cleaners, gardeners, janitors, security guards, garbage collectors, carpenters and plumbers in the surrounding housing estates. They carried out a number of other small jobs to facilitate the daily lives of the affluent households in their neighbourhood. While their selective decision to work without a cash salary during the demonetisation crisis would appear to be a product of historically entrenched conditions of servility to wealth (see also Pocock 1973), I suggest that sections of the urban poor had an additional social reasoning behind supporting well-off households. Their actions were motivated by their collective vision of an improved, integrated financial future in the modern city.

It is estimated that over 60 per cent of Indian citizens do not have formal bank accounts, and the fully unbanked populations remain clustered below poverty line (BPL).⁴ Most of the slum dwellers within my ethnographic landscape did not have access to formal banking services. They usually remained financially indebted to families in high-income residential areas. These recently built housing sectors were occupied by nuclear families. These smaller households did not have multiskilled servants associated with long-term patronage networks that sustained traditional, extended family circles and demanded a range of personal sacrifices from the servants (Chopra 2012; Frøystad 2003). At some stage in their unreliable and scattered employment journeys, slum dwellers have

relied on informal cash loans from wealthy employers for family weddings, medical treatments, buying agricultural land or home repairs. However, during the demonetisation months, unpredictable cash scarcities within wealthy households made these households unexpectedly financially indebted to the poor, as they received daily labour without offering any immediate remuneration. The affluent families also felt morally obliged to the goodwill of slum dwellers for supporting their daily lives, knowing well the burdens they were imposing on the poor who were likewise negotiating the financial crisis.

It is possible that this sudden, performed sensitisation to the humanity of the poor is intended to manipulate workers into attending work. However, from the perspective of slum dwellers, this monetary and moral indebtedness expressed by the wealthy was an opportunity for the urban poor to accrue leverage. They could ask middle-class families for more empathy and financial support in the future and use their loyalty to challenge stereotypes about slum dwellers as an unscrupulous urban underclass. In this chapter, I want to emphasise this strategic ability of the poor to endure even greater economic hardship, often in the unfeasible hope of impacting the nature of everyday distrust of lower-class citizens in the city.

Suspicion and the Debt Receivers

Gopal and Gurupada were both lower-caste, economic migrants from a village in north Bengal. They shared a small slum tenement. When I returned to the area in early December, I became interested in the economic complexities caused by the cash crisis among the semi-literate migrant population in the slum. While Gopal served a nearby housing colony as a cleaner, Gurupada had a higher status. He had a driving license and held long-term employment with an elderly couple living in

the same colony. Gopal showed greater humility in both spoken and body language during work, as his position was more precarious; he worked for many households, with no enduring relationship with the inhabitants. Both Gopal and Gurupada had on various occasions borrowed money from their employers for family weddings and buying land. Gurupada had also borrowed money from his employers to start building a permanent house in the outskirts of Calcutta and pay the deposit for his daughter's school. They often discussed the disdain they faced when asking for a loan and how they had to bargain, beg and constantly perform the role of trustworthy employees who would not flee with the cash lent to them.

Jayati and Rameshwar had become known in the slum as a couple who would never return to their villages. Jayati was a Bengali village woman and Rameshwar was from a rural area in neighbouring Bihar. They had secretly married, even though Rameshwar had a wife in his native village. Jayati became estranged from his parents when they came to know about Rameshwar's second family. With no kin support and with little option of returning to their native homes, the couple relied entirely on their income from the housing colonies. Jayati cooked in several homes, and Rameshwar washed and ironed the clothes in the homes that were not modernised enough to have washing machines. Rameshwar and Jayati usually worked in a household for several months, displayed their loyalty and hard work, and then plucked up the courage to ask for a loan to be deducted monthly from their salaries. Rameshwar's requests for loans were rejected easily because employers believed he had 'a gambling problem', as he occasionally played cards with the security guards. Many employers were aware that Jayati was Rameshwar's illegitimate wife, which added to their distrust of her. From Jayati's perspective, it was precisely the fact that she was socially ostracised in the village that kept her permanently tied to the urban labour economy. She had

nowhere to run. As the city underwent periods of development and the number of housing projects increased, the slums around modern apartment buildings became more populated with such rural migrants who offered a range of services to middle-class families.

Demonetisation and (Dis)trust

Gopal and Gurupada woke up to the huge shock of demonetisation when their neighbours informed them that the money they had stored under their bed was redundant. 'It was just paper', said a distraught Gurupada. It was the beginning of November, and they needed to send money to their families. While Gopal found a distant uncle, Gurupada persuaded a bus driver who drove his vehicle to Gurupada's village. Both the men had refused to carry the cash since it was now useless. Not sure how to respond to the situation, both Gurupada and Gopal went into work to discuss the matter with the educated families who employed them.

Gopal was deeply anxious when he knocked on the door of one of his employers, who looked equally perplexed by the central government's decision. Gopal heard words like 'reserve bank of India' and 'prime minister'. All he understood was that his money was no longer viable, and his family would not get any cash to make it through the month. He sat with his head in his hands, and his employers offered him tea to calm him down. Gurupada had suddenly realised that his employers were old, didn't know how to use credit cards and did not have the stamina to stand in long-winding queues for new currency notes. Even if they did manage to reach the beginning of the queue, they would not be able to withdraw enough cash to pay Gurupada, settle bills and buy their groceries.

When the demonetisation crisis hit their little shack in the slum, both Jayati and Rameshwar also decided to

knock on the doors of employers. Holding up their small bags of cash, they asked the families to recycle their meagre savings through formal bank accounts. Many of the employers were kind enough to take a bit of their cash and help with recycling. Others were unable to do so because the banks randomly asked for supporting documents to ensure that the cash deposited was officially accounted for. Some employers claimed that they were not sure whether Jayati and Rameshwar had earned all their cash legally. Some claimed that the couple had not cleared earlier debts. There were still others who did not want to touch the cash that had lived in a smelly, dirty bag in their slum shack for fear of contracting disease from greasy notes. The couple returned home both relieved and dejected. They had split up their earnings and had found enough homes that would exchange the cash for them. But they were also painfully aware that so many households continued to treat them with suspicion.

The preceding narratives highlight the everyday politics of distrust that underlined informal debt exchanges between the middle classes and the poor living in proximity to each other in an urban neighbourhood. The middle-class employers historically imagined themselves as the 'givers' of financial assistance to the poor. The slum dwellers felt that they were cast as rootless people with no ties to the city who had migrated to make a living off the wealth of urban upper classes. According to all my informants, affluent families believed that obligation and honesty were not moral values appreciated by the poor—hence the humiliating questioning of their reliability was central to discussions on debt, which was a basic survival strategy for slum communities. While there were migrants who did 'run off' without repaying debts, many of my informants resented being labelled as ungrateful. The cash crisis in some cases accentuated this feeling of distrust, especially with the initial absence of support from rich householders. Even words of comfort or offers to recycle

cash by middle-class families generated feelings of indebtedness in my informants. Over a short period of time, however, the crisis precipitated expressions of empathy and reliance between sections of distinct economic classes (as seen in the introductory vignette), even as each group manipulated the vulnerabilities of the other in the context of the cash crunch affecting all urban households.

Middle-Class Gratitude Towards the Poor

Scholarship on the anthropology of the aftermath (see also Das 1995) often states that in postcrisis scenarios, the memory of a calamity continues to play a decisive role in determining the nature of social action. According to Perez (2008), who studies the aftermath of violent conflict in Latin America, it is the fear of the repetition of a crisis that often binds social relations in postconflict societies. The paranoia of another catastrophic event destabilising everyday life thus tempers the display of routine hierarchies, lest disparate communities need to coalesce again to survive more crises in the future. This tempering of economic hierarchies has become relevant again in the context of the current corona crisis (May 2020), as 1.3 billion people have been placed in quarantine in India, which in turn has had a grave impact on the livelihoods of urban migrant workers. Yet again, domestic workers are offering their services for reduced or delayed salaries, as elderly and upper-class employers are concerned about their vulnerability to contagion, and resist standing in queues and withdrawing cash from ATMs.

Despite the mockery of middle-class entitlements reflected in Jayati's laughter at Mrs Das, it contained the essence of some performative indebtedness that eventually emerged in the middle-class housing colony. Gopal offered two months of services without remuneration. Those families who had worried about catching germs

from Rameshwar's cash later displayed gratitude that Gopal's cleaning services would continue. Many of them promised Gopal a raise in the future in exchange for his kindness. Gurupada was suddenly told he was 'like a son' to the elderly couple. He was given gifts, such as old T-shirts, a cheap watch, and an outdated mobile phone. In addition, the couple was exceptionally affectionate, which made Gurupada feel good about his generosity. Rameshwar initially had a raw deal, as many housewives started to grumpily wash and iron household clothes. However, because he offered not to take a salary, the employers repeatedly thanked him for his supportiveness. While my informants would often discuss these expressions of appreciation with surprise or humour (sometimes even with sexual overtones), I observed how middle-class employers often expressed their gratitude in stairwells, doorways and even on the streets while bumping into their staff. These performances were usually interpreted by the slum dwellers as a bit bogus, but they were still valued as a public exoneration of the poor as merely corrupt. Because this fieldwork was based in the context of a particular financial fiasco, I argue that slum dwellers in that moment of crisis aspired to this toning down of distrust in precarious employer-employee relationships. I suggest that these enactments of gratitude from the rich, while perhaps disingenuous, gestured towards the possibility of moderately tolerant labour-related interactions and a collaborative future in the crisis-riddled city.

My ethnography also illustrates that a fragile enactment of codependence that emerges during a financial crisis can minutely subvert some aspects of a quotidian politics of debt. While the middle-class families in Calcutta were far more accustomed to being creditors to the neighbouring slum dwellers (offering them loans, writing letters for them, filling out forms in English, not sacking them when they were sick, putting up with their unskilled labour), they were not prepared to face a social situation

when they would *feel* indebted to the poor. Gurupada's employers told me: 'We once wrote a letter to the police to not arrest Gurupada when some money had gone missing from our housing colony. He was so grateful. And look at us now, not being able to pay a poor man who is taking us around everywhere. How will we repay this debt?' For the slum dwellers, this potential to remove the tag as criminals 'turned the tide' (*ulto deo*, as described by Gopal) of debt. They had managed to use the financial crisis to temporarily enter the game of obligations, and it was not a 'one-way street' (*ek torfa*), as imagined by upper-class employers. Even offering gifts did not balance the financial equation of 'service with no salary'. Anthropologists who explore the ways in which the urban poor seek acceptance in the city (see also Holston 2011) argue that slum dwellers can develop various political strategies, ranging from demonstrations to the threat of political reprisal, to give visibility to their presence within labour networks. My chapter shows that outside the remit of high politics, there are low-end affective spaces that can also offer a sense of urban inclusion to the poor. As Mrs Das showed when she said, through tears, 'I will always remember how a poor woman didn't take a salary to help me out', cashless conditions generate unusual debt-related *sentiments*, which in turn engender a fleeting awareness of mutual responsibility amongst diverse populations in the city.

Conclusion

According to Peebles (2010), who explored how the moral and material components of debt can rarely be separated in any culture, debt exchanges create possibilities for communication. Despite the instrumentality embedded in the binding nature of contemporary debt relations, I argue that the experience of generosity that goes hand

in hand with incurring and offering debt also opens up a space for analysing unconventional shifts in informal financial practices. My ethnography has shown how a massive state-led economic disruption precipitated minor but atypical performances of shared sympathy between different classes of urban communities. David Graeber (2011), while reflecting on the history of debt, argued that 'human economies' were built on trust. Even though obligations were imprecise, they facilitated community building across social stratifications. Money, argued Graeber, made debt relations more market oriented, hierarchical and mathematical. He views this form of quantifiable exchange as divisive for society and criticises the ways in which the state uses its violent authority over monetary economies to create social apathy. According to Graeber (2011), debt is 'not the measure of the value of an object, but the measure of one's trust in other human beings'. In this essay I argue that fiscal ruptures have the potential to briefly impact, if not interrupt, the direction of debt from the powerful to the powerless. While Graeber examines international loans, I argue that small modifications in more quotidian forms of debt flows between the rich and the poor have the potential to shift the weight from debt's calculated monetary component and return changing concepts of trust and tolerance found in unusual encounters to the heart of understanding shared living in the city.

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'Torture and Laughter: Naxal Insurgency, Custodial Violence, and Inmate Resistance in a Women's Correctional Facility in 1970s Calcutta', *Modern Asian Studies* (2018), and "'Teach Your Girls to Stab, Not Sing': Right-Wing Activism, Public Knife Distribution and the Politics of Gendered Self-Defense in Mumbai', *Signs: Journal of Women in Culture and Society* (2019).

Notes

1. I am grateful to the Asia Research institute at the National University of Singapore for offering me a senior research fellowship, during which I presented and revised parts of this chapter.
2. 'Indelible Ink to Be Used on Those Exchanging Demonetised Cash at Banks, Says Economic Secretary', Scroll.in, 15 November 2016, <https://scroll.in/latest/821575/indelible-ink-to-be-used-on-those-exchanging-demonetised-cash-at-banks-says-economic-secretary>.
3. 'Demonetisation: 33 Deaths since Government Scrapped Rs 500, Rs 1000 Notes', *The Indian Express*, 18 November 2016, <https://indianexpress.com/article/india/india-news-india/demonetisation-suicides-heart-attacks-and-even-a-murder-among-33-deaths-since-decision-4378135/>.
4. Jitendra, 'New Poverty Line: Rs 32 for Rural India, Rs 47 for Urban India', DownToEarth, 17 August 2015, www.downtoearth.org.in/news/new-poverty-line-rs-32-for-rural-india-rs-47-for-urban-india-45134

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