6 Principles or pragmatics?

Debt advice as a comparative encounter

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This chapter explores some paradoxes that arise when 'people compare'. It draws on my study of what, to paraphrase Norman Long, I call the advice 'encounter' (Long 2001; see also Koch & James 2020) to illustrate the divergent kinds of work that comparison does for the generalist and the particularist, respectively. Studying debt advice in two different national settings, the UK and South Africa, I show how, because advisors start from generalities and recipient/advisees start from individualized practices, comparison pushes them in different directions. In the everyday life of such encounters, just as in anthropology itself, there are always forces that propel people towards abstraction and generalization in their comparisons, just as there are other forces that propel people towards particularism or even incline them to refuse all generalizing forms of comparison. The chapter, as an ethnographic account of these opposing forces in two distinct settings, reveals the relations of inequality and exploitation that are in play. It also gives an account of attempts, during the 'advice encounter', to mitigate or ameliorate those relations.

The research for the chapter draws from study in the UK and South Africa.[1] In the former, advisers are motivated by the imperative to help their clients secure access to what remains of the post-war welfare state. In the latter, where welfare was previously skewed along racial lines, the country's new democracy has seen its mass expansion, but it is delivered through cash transfers rather than essential services. For those unable to get by on these transfers, high-interest loans, providing momentary relief, are whittling away what their recipients have to live on. In both cases, debt advice is at a premium because of a complex mix of expanding financialization and increased borrowing with (actual, in the UK case, or imminent, in the South African one) government austerity, and the retreat of the kind of state regulation that formerly acted to curb borrowing and restrict the fees and interest rates creditors were able to charge.

In both cases, as has been noted elsewhere in the world, combining cuts to welfare benefits with the expanding availability of credit means that welfare dependents have been reconfigured as 'debt repayers' (Adkins 2017), thus transforming a social into an individual burden. Nor is this a matter that

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concerns only the unemployed. Because of 'an increase in jobs and a decrease or stagnation in incomes … at the bottom and the middle', both 'the government benefit cheque' and 'the living wage' are now supplemented by reliance on credit, turning the welfare state into the 'debtfare state' (Soederberg 2014: 3). Those at the bottom of the pile – be they the poor or unemployed, low-paid workers, or formerly middle-class people migrating to work abroad and now on 'zero hours' contracts – have been brought into the ambit of, or 'enfolded within', formal financialized arrangements (Kar 2018; Meagher 2018; Soederberg 2014). In the terms used by Gustav Peebles (2010), they are not so much beneficiaries of the good side of such arrangements ('credit'), as victims of their most rapacious aspects ('debt'). Such accounts point to the fact that the shrinking of the welfare state in northern settings, or its new instantiation via the provision of cash transfers in southern ones, seem to lead inexorably – albeit in different ways as documented below – to an increase in borrowing: to 'debtfare' (Soederberg 2014).

Drawing out similarities and differences between the South African and the UK case speaks to the theme of comparison in several ways. First, at the level of immediate experience, the advice encounter, in and of itself, involves a comparative exercise. In seeking advice, people with what seem unique and irreplicable problems find their situations ranked alongside other similar experiences. In the process, and in an attempt to acquaint advisees with a bigger picture, advisers lay out their problems side-by-side with those of others. When debtors realize they are not alone, they may be comforted by the results; but when they grasp the uniformly degrading circumstances (alongside their own) of those in a similar situation, they may equally be appalled by the scale of the phenomenon. The different actors involved are variously involved in weighing up individual situations vis-à-vis those of others.

Second, this chapter must perforce involve an exercise in analytical comparison between two very different settings, the UK and South Africa. The two might be presumed – quite rightly – to presuppose very different levels of development, capitalism, industry, financialization and the like. And this contrast in turn will structure how I go about interpreting the comparisons made by people in each context, which also, in their own way, involve ranking or differentiation depending on the extent of capitalist expansion, notions of economic value and the like. But there is a caveat: such rankings collapse under scrutiny and cannot simply be read off from the contrast between a Euro-American setting and one in the global South: indeed, the very existence of such a contrast has been said to arise *in the course of* the intimate interactions, over the course of several centuries, between the two (Comaroff and Comaroff 2012). Thus, the comparative exercise itself is a product of these articulations.

The chapter offers a comparison of the work of comparison: one where each level (the generalities and abstractions made by advisers who align their clients' situations with those of others in a similar quandary; the

comparisons debtors gradually begin to draw between their own individual situations and those of others; and finally the meta-comparisons made by the anthropologist) helpfully illuminates the other. Overall, what it addresses is the interaction between local processes of differentiation, contrast and comparison, occurring at different scales but brought into juxtaposition through the advice and the ethnographic encounters.

Cases and comparisons

The encounters described below elaborate on the theme whereby 'principled' adviser, able to view matters in comparative perspective, interacts with 'pragmatic' client who is aware only of her own circumstances. The first, drawn from research in the UK, is one in which the modes assumed by that comparative work vary according to the perspective of the protagonist (adviser or client) and – linked to this – the level of abstraction at which the encounter is experienced. Seen from advisers' point of view, what is required is an ability to generalise, consistent with an analytical point of view accustomed to seeing the 'big picture' of indebtedness and involving the aggregation of multiple sources of data in order to make sense of that picture. Seen according to debtors' views and experiences, in contrast, things are more individuated, particularistic and personalized. The second case, drawn from South Africa, shows how even debtors' experience can vary widely; debtors here have more pragmatic modes of dealing with debt than is evident in the individualized sense of guilty self-blame experienced by some in the UK. Irrespective of these contrasting effects, both cases still seem to manifest a division between those (the advisers) who are engaged in explicit comparative thinking and those (the advisee/debtors) who, at least initially, fail to discern the parallels (or differences) that link their own specific situations to those of others who are subject to similar forces; they are compelled simply to cope with the consequences of their experience, whether this be internalized moral opprobrium or practical matter-of-fact budgeting. The third case blurs the adviser/advisee division. It demonstrates how activist/advisors in South Africa, in interplay with and informed by the plight of those they advise, have contested that country's corporate-capitalist biometric financial systems which extract repayments through automated algorithms. The fourth shows how debtors in village settings, following the reforms that were introduced as a result of these contestations, have themselves developed comparative insights at a local level. Inextricably embedded in a dependence on 'debtfare', they have swiftly adjusted to the changes. They retain those formal technologies that enable them to continue borrowing using welfare payments as collateral while also making use of higher-interest loans from local moneylenders. Their financial pragmatism, albeit seemingly out of touch with the bigger picture of indebtedness and its injustices, is governed by a systematic, pragmatic and temporal logic concerning the monthly rhythms of welfare payment and by the complex

negotiations over control of the all-important bank card through which those payments are accessed.

Case 1: 'disrupting attachments' in the UK

The first case sketches an encounter between a low-paid domestic cleaner and a debt adviser in a London office. It illustrates, as noted above, a broad division between advisers' insight into wider principles and debtors' more pragmatic preoccupation with their own circumstances, with the former attempting to make these insights plain to the latter. But it also demonstrates processual changes as a result of the encounter, with those advised developing their own sense of the extent of their problems and how to address these, while those advising may become swamped by tedious bureaucratic procedures, losing sight of the bigger picture.

'That is what makes me angry – they are in charge of your life' says Elaine. She is sitting in a London advice centre, asking for help from Aaminah, one of the advisers. People on low incomes who rely on 'debtfare' (Soederberg 2014) often feel this way. The more they depend for help on the state and commercial creditors, the more they seem to be at the receiving end of complex systems of bureaucracy, and the less they are able to control things.

Working as a domestic cleaner, Elaine takes pride in earning her own living independently. 'I want to free my mind', she explains, 'I need to pay my bills'. But in order to do this, she also relies on state support to supplement her income. She gets Child Tax Credits and Working Tax Credits and is still waiting to hear the outcome of her application for Housing Benefit to help pay her rent.[2] Part of why she feels so powerless (and has done so for months) is that, with this complicated set of payments and entitlements, she doesn't really understand how much she is due. What are her 'rights' and what is her true income? But what precipitated this visit, and the main reason she was driven to come here for advice, is that she has realized the extent of her debt to commercial creditors. She has just received a letter from a credit card company: they have taken out a court judgement requiring her to pay £50 monthly to settle her debt with them. She also owes money to other private creditors: £48 to her internet provider; and other debts to Provident and Shop Direct (the latter was sold on to a debt-collection company). Despairing, she announces 'I always pay on time, it's just this time …' her voice tails off as she fights back the tears. 'I can't believe I'm in so much debt'.

Shuffling through the batch of letters Elaine has brought with her, Aaminah works out that she also has rent arrears of £850 (the amount – of course – goes up every week): she is supposed to pay £116 every Monday but she has fallen behind. She also owes Council Tax of £70. The council sent her a letter saying that she must pay this tax in 2 working days. She went in to ask if they would put it on hold. In addition, she has a backlog with the gas

company and has been paying money in order to clear it. 'Yesterday I paid £12. I don't ever turn it on – instead I just wrap up. If I use it, it finishes, and if I don't use it, it still finishes!'

Only after Aaminah questions her, looks through these numerous letters and notes down the details of income, benefits and budgets, does she get an accurate sense of what Elaine owes. The most significant work of comparison she does is to reassure Elaine that, seen vis-à-vis other clients, her situation is not as bad as she thought: 'in total the debt is less than £2,000'. She also separates what seems like one large lump sum into separate, smaller obligations and suggests a way to tackle each of these. First, to Elaine's immediate relief, she phones the gas company and establishes that the debt to them has long been repaid. 'Thank God – I am happy!' says Elaine. 'I can't believe I'm laughing – I am happy that that one is clear'. Aaminah then requests a credit check from a credit bureau so they can see whether any other debts are repayable. She fills in a form requesting that the court order for the credit card debt be lessened or 'varied', and another one: 'This is the letter I will send to the court so that you don't have to pay fees – they will write to you with the decision'. She then sends an email to the council to ask them to avoid taking action and, once news of the Housing Benefit arrives, to set in motion a payment in order to clear the arrears. 'As for your other debts – I will write to them. I will say that you cannot pay at the moment. They should put a hold of 6 months, which will give you some time'. She explains that 'the other option, long-term, is a "debt relief order". They write off the debt'. However, if Elaine wants to remain in the flat, she will need to pay her rent arrears. She asks whether Elaine wants to consider the debt write-off option, or rather to 'set up repayments' to each of the creditors.

ELAINE: I know God will answer my prayer today – and I refuse to cry today. I want to go through with this. I don't want any money to borrow. I just want to be free from stress. I want a life. From the day I was born until now, I have been suffering.

AAMINAH: We all deserve happiness…

Aaminah was offering practical and material possibilities for relief. Perhaps more importantly, she was giving Elaine a sense of greater control, by helping her to overcome that feeling that 'they are in charge of your life'. In sum, she was doing the work of comparison which derived from her considerable experience in debt advice. Part of what this entailed was the building up of practical experience. Drawing on previous encounters, she was well-acquainted with what to do. By separating Elaine's debts into discrete strands of payment and comparing their importance and urgency, she was making it easier to manage and comprehend them. She was also enabling them to be queried or even written off, persuading creditors to postpone their demands or accept reduced payments, and even outlining

the more definitive option of debt relief. Elaine, in response, was expressing a sensed contrast between her suffering past – 'what is' – and an envisaged future of 'what might be', free from loans. The feelings of relief and future orientation signal the value of the broader perspective provided by advisers, alongside the practical, do-able steps they provide for a client to follow.

Writings on the experience of indebtedness in the UK show that the reasons why people like Elaine get into debt are not purely material. There are also 'market attachments' involved, as Joe Deville has pointed out (2015). A person may desire a certain object – such as a better life – as well as simply needing the money that would make it possible. In the process, the harm done to that person somehow becomes an intrinsic part of why the person remains 'attached' to the debt (2015: 47–8). This leads to a life lived 'in default' (2015: 51–3). The strength of these attachments and ties is intensified via poorly understood banking algorithms which govern everyday existence, making it possible for 'monies of all sorts to routinely live in and through our lives', and – despite the fact that their actual workings are obscured – enabling relationships between creditors and debtors to 'become deeper, more profound, more granular, more personal' (Tiessen 2015). Given how difficult it is for clients to let go of these attachments, one explicit task of debt advisors is to 'disrupt' them (Kirwan 2018). People like Elaine who are faced with the prospect of having to make do with less (and with having to borrow as a result) tend to experience their hardship as separate beings, divided from each other despite being subjected to very similar pressures. They face 'social division and isolation' (Diamond 2017: 34–5; Elgenius 2017: 45). The problems they experience are shared with so many others, yet it is only when speaking to the adviser that they realize this. Advisers use a set of bureaucratic tools to help clients distinguish those debts which – in their own best interests – ought to be given priority, from those which can be dodged or even cancelled, for example through bankruptcy procedures. In this way, they help to counter the strong emotions involved, as this case demonstrates. In the process, those advised may develop their own sense of the extent of the problem and the readiness by which it may be fixed.

However, there is ultimately little that advisers like Aaminah can do to remedy the simple fact that incomes and expenditures in this newly financialized world simply do not match, leaving people like Elaine unable, in the longer term, to pay their rent and other expenses. Although her visit to Aaminah gives her a sense of relief, and even of control, it seems likely that this will be short-lived. The choices she faces are quite restricted. Besides the option of making regular and affordable 'repayments' to her creditors, another possibility is to opt for one of the variety of insolvency or debt-relief options.[3] Aaminah explains to me that the first of these is dependent on income: 'Someone who comes here with £15,000 worth of debt and only gets £56 a week, we can't help them set up repayments, because it wouldn't be feasible'. Even for those, like Elaine, who owe much

less, small payments 'are only worth it if there's a chance of a change'. Setting up deductions to return money owed could condemn debtors to a lifetime of repayment. In such cases, they are advised 'to go through insolvency'.

This solution, seemingly more robust than that of setting up separate repayments with individual creditors, has however been seen as leading to problems in turn. In the money advisers' magazine *Quarterly Account*, a debate about the increasing prevalence of agreements between debtors and their creditors that help the former repay what they can afford to the latter (individual voluntary agreements [IVAs]) revealed that these were beginning to be churned out in 'factory'-like fashion, with 'all the work … done by unqualified staff, and with "many firms ask[ing] for large upfront fees, meaning that it doesn't matter to them if the IVA is refused by creditors, they can take the money and run"'.[4] In 2009, John Fairhurst of Payplan spoke of how, as more people become over-indebted and need help, 'aggressive advertising campaigns funded by increasing the charges made to consumers' would likely emerge, with demand met by 'fee charging providers' of advice.[5] Thus, each successive wave of credit demand has seen the birth of a new crop of companies taking advantage of fresh opportunities, and countering or regulating these in turn requires ever more expert advice and ever more vigilant surveillance by those in the sector. Even committed advisers like Aaminah, under pressure by regulators to meet targets of audit and by funders to refer specific proportions of her clientele upward to higher-level advisers, find themselves faced with limited choices and often find themselves operating almost 'by rote'. The adviser's ability to perceive broader trends and bigger 'principles' may be difficult to maintain.

Given that it is the task of advisers to inform and enlighten their clients about the collective experience of debt, the encounters between them, characterized in many cases I observed by encouraging and kind-hearted pedagogy aimed at introducing the bigger picture to the advisee, may indeed result in producing the desired experience in the latter, who may gradually come to view their predicament as something not of their own making (and hence not their own fault). Conversely, however, the amalgamation of clients' problems that is supposed to inform debt advisers' generalized overview of how best to help such clients can often be obscured by the routinized and 'tick-box' bureaucratic approach they are forced to take, especially when resources (and time) are in short supply, sometimes reducing their role to little more than a pragmatic set of procedures. If, then, comparison is thought to be an exercise through which protagonists can gain a critical perspective on the specificities of their own situation, and one that provides an overview enabling them to make sense of it and discern the principles at play, it might be said that – at least in some cases – clients become more and more able to take the generalized, comparative view while their advisers become less and less so. Blunted by the exigencies of the audit culture they are forced to operationalize, and realizing that few if any structural changes

are likely, these advisers can find themselves operating more 'by rote' than recognizing the 'bigger picture'.

Case 2: psychic self-blame vs relational pragmatism

For our second case, we move to South Africa. Albeit set in the global South, it is a site where capitalist relations and forms of proletarianized labour have predominated to an unusual extent for more than a century. In this setting, perhaps even more than in the case outlined above, debt has an ambivalent character. It was access to credit – coinciding with the moment of democratization – that allowed people to live a life of aspiration from which, owing to the strictures of apartheid, they had previously been excluded. But, since these things have been given to them on tick, theirs is a 'loaned life' (Han 2012). The debt is necessary to actualize dreams of a better world in which harmonious relations with family members might be possible. But being unable to repay while creditors knock at the door is disabling and may even destroy those relationships. Here, the debt conundrum juxtaposes apparently unlike sets of values. Cherished and non-commodified family relations, on the one hand, both induce and are subject to the inexorable force of commodified payment-plus-interest on the other (see James 2019a, 2020b).

In the South African case, debtors are often more aware (even without formal debt advice, which is sorely lacking) of the need to juggle and prioritize debts. They may be shrewdly pragmatic rather than 'attached' to their debts or submerged in machinic relationships as 'deep … profound' and 'personal' as those described in the previous case (Tiessen 2015). A woman named Akhona, like Elaine a domestic cleaner, was reported as being similarly reliant on a mixture of commercial loans and state welfare. 'Sometimes I only get paid R1,800 a month', she said. 'And it's not enough because transport is expensive and I have to buy household things, and support other family members'. Supplementing her wage as a part-time worker are a monthly child-support grant from SASSA (the state welfare agency) of R640 and a regular monthly loan of R200 from a company called Moneyline. This is a subsidiary of Net1/Cash Paymaster Services, the finance company to which the state had outsourced the delivery of these welfare or 'social' grants in the early 2000s. Akhona needed this loan in order to pay her weekly transport bill to get to work. She had factored in borrowing as an essential element in the household budget rather than an accidental aberration, much like the Buenos Aires shack-dwellers documented by Ariel Wilkis, one of whom told him 'we don't have savings but we do have debt' (2017). Such canny matter-of-factness, shows anthropologist Fiona Ross, involves managing a series of conflicting debts and often necessitates taking short-term decisions, themselves subject to social scrutiny and pressure from relatives and neighbours (Ross 2010: 131).

One thing that differentiates these two cases is the presence or absence of psychic experiences of guilty self-blame. British borrowers like Elaine were viewing their indebtedness through a kind of individualized particularism, whereas South African ones experienced it in a more relational manner and handled it in more pragmatic, matter-of-fact ways. This contrast appears, at first sight, to map onto one of the binary metanarratives of 'West vs the Rest', in which modern neoliberal individualization is differentiated from traditional embedded personhood. Ideas of internalized self-discipline, so prevalent in many Euro-American settings, have been shown to be of limited usefulness in many southern ones. As historian Fred Cooper shows, 'power in colonial societies was more arterial than capillary – concentrated spatially and socially, not very nourishing beyond such domains, and in need of a pump to push it from moment to moment and place to place' (1994). Emphasizing the point, John Comaroff has argued that to apply Foucauldian ideas about governmentality to these southern/postcolonial settings is to misrecognize the limits to 'capillary' power. Power, far from being intangible, is here accompanied by coercive and brutal forms of domination (1998). If the case of South Africans like Akhona presents a contrast to Western-style individualization, then, it is less because their approach is embedded in traditional forms of personhood than because they are being subjected to outright compulsion. It is to a particular form of this duress (Stoler 2016) – and to attempts to counter it – that I turn in the next section, before returning, in Case 4, to a further consideration of the kind of pragmatic self-help (which in itself comprises a sort of 'folk' comparative effort) that is suggested by the story of Akhona.

Case 3: 'plunder' and 'claw back' of funds in South Africa

With the UK as a reference point, this section explores the South African lending landscape further. In the latter case, repayments for loans taken by welfare beneficiaries were being extracted through automated algorithms, with very little recourse to the kind of individual advice available in the former (Case 1). However, advisor/activists gleaning insight into the workings of the system from the experiences of – and in interplay with – client/debtors have acted to contest these arrangements. Focusing on pragmatic ways to counter the 'plunder' of cash transfers by 'clawing them back', one vision of a better life for debtors is based on an implicit comparison with an ideal society governed by principles of humanitarianism and rights, while a second invokes a vision of a properly functioning market. In both, through different approaches, 'looting' would be curtailed.

In contrast to the story of Akhona outlined above, many social grant recipients in South Africa have become less and less able to parse and weigh up their debts or conceptualize them as distinct (cf. Wilkis 2017), because they are so interwoven as to make them difficult to disentangle. Financialization has been accompanied by technologies of biometric registration through

which the 17 million South Africans who are social grant recipients have been brought within the ambit of the banking system (for a comparable case in India, see Kar 2020), with repayments orchestrated via electronic file transfers. Until it was relieved of its state contract in October 2018, the provider company, Net1, was using systems and algorithms that seemed virtually immune to human intervention. While South Africa, like the UK, uses automated electronic file transfers to deliver welfare (James, Neves & Torkelson 2020; Datta 2012; 32–6, 66), it has a more cavalier approach to banking and client privacy. Net1, at the same time as furnishing regular payments to pensioners, parents (mostly mothers) of children and disabled people, has also been offering them loans and selling them products – via its web of subsidiaries such as Moneyline – for which it has been deducting payments from the grant at the end of the month (Torkelson 2020). For many of those caught in the grip of this 'cowboy capitalist'-style approach to lending, such financialized logics are threatening to overwhelm styles of budgetary household balancing such as those practised by Akhona (in Case 2). Although the impetus for commercial companies to tempt customers into taking out loans and making purchases differs little between the UK and South Africa, debtors in the latter face particular problems because of the way repayments are secured. Not many borrowers are able to articulate a budgetary strategy as deliberate as that adopted by Akhona; many are engaged in far more complex (and incomprehensible) processes of repayment through deduction, as will be briefly outlined below.

Following a public outcry against Net1 for its deduction arrangements, the outcome of a Constitutional Court case saw the contract for awarding social grants withdrawn from the company and awarded to the post office in 2018 (Breckenridge 2019). Before that date, grant recipients wishing to borrow money were widely encouraged to 'swop' their state-provided SASSA (South African Social Security Agency) benefits ATM card (colloquially known as 'gold') for a Net1-administered alternative (known as Easypay but colloquially called 'green') and to use this to enable them to borrow from Net1's subsidiary, as outlined in the story of Akhona. This facilitated a smooth borrowing process, with repayments made by automatic deductions, facilitated by fingerprint-activated biometric technology (ibid., Torkelson 2020; Vally 2016). Because of this technology and the lack of a paper trail, there was little or no volition left to the debtor. Even where bank statements were able to be procured, they were often incomprehensible; debts were difficult to disentangle. People, feeling disempowered by deductions on their SASSA grant and with no apparent recourse, were coming in 'with tears in their eyes', said Mareesa Kreuser, a team member at Summit Financial Partners. Advisers like her expressed dismay on their clients' behalf that, despite all these transactions and loans taking place in a highly formalized payment space, errors were frequent, often amounting to fraud (practised both by 'street level' agents and at the level of high-tech deductions). When debtors attempted to seek recourse, company representatives were reluctant

to speak to anyone but the 'actual beneficiary'. 'Actual beneficiaries', however, rarely had enough mobile phone airtime to be able to stay on the telephone for the amount of time that it might take to get through the 'security questions' and challenge the details of the account: and in any case they often felt intimidated or embarrassed as well as unconfident when speaking English. These technical complexities compounded the stark facts of the situation: Net1 was, in effect, using welfare beneficiaries' grants as loan collateral, and taking advantage of their confusion to turn a profit (see Lavinas 2018 for a similar case in Brazil).

Advisers in South Africa's charity and business sectors attempting to 'claw back' such funds often use the metaphor of piracy to describe the ransacking of beneficiaries' monies. Unlike their UK equivalents, their primary concern is not to help clients put the brake on repayments or challenge 'overpayments' demands (see James & Kirwan 2019). Instead, since financial automation means that the repayment has already occurred, the advisor must set out, instead, to reclaim what has been 'stolen'. 'The bank account is almost, a place for looting. … for pushing through as many different [loans] as possible', said an officer from the Black Sash, South Africa's foremost human rights organization. She celebrated the fact that, after much effort, she and her colleagues had helped a client 'to get some of the money back, a cash refund'. Likewise, 'pillage' was the term used by the CEO of Summit Financial Partners, Clark Gardner, to describe the situation. Lenders of all sorts, he said, follow

> an unwritten rule to chase market share …. [I]f I don't take your wallet, your full wallet, someone else is going to take it. If you can afford R100 a month on debt instalments, I want to take that full 100. Because if I take 80, someone else is going to take the other 20. That is putting my loan at risk. And no one is policing that. So I can do whatever I want. … [T]he lack of enforcement has … created a reckless lending environment. If you don't play that game you're going to lose.

This CEO took it upon himself, in the absence of regulatory activity by the state, to pursue moneylenders through civil court cases. The company's business model is based, in part, on scrutinizing the wage records of two major mining companies that are concerned about the welfare of their employees: Summit's job is to help ensure that these employees do not get subjected to illegal deductions by creditors.

These South African officers, paralegals and corporate employers/employees, like those who advise on debt in the UK (Case 1), are motivated by a sense of the need to get the bureaucracy right, which they accomplish by unpicking the interwoven strands of debt in order to highlight cases of fraud and to distinguish legitimate loans from those which contravene the law. The efforts of would-be reformers in the South African example are focused on retrieving or 'clawing back' illicitly looted funds so as to restore

a client's bank balance to what it should be. Insisting that the money be reimbursed, they aim to redress what they evocatively describe as 'plunder'. Human rights charity The Black Sash has a principled opposition to the behaviour of companies like Net1 that is underpinned by a longstanding tradition of rights activism. For Summit, in contrast, the impetus derives more from a wish to reform capitalism and put it on a better-regulated and 'fairer' footing. Both kinds of adviser/activists, in countering the automated extractivism facilitated by biometric banking systems, have built on their interaction with debtors to yield comparative insights into their views of how the problem should be tackled. These, in the sectors from which each hails, draw on implicit comparisons with and accepted assumptions about how things ought to be done.

Case 4: temporal tactics in South Africa

But the comparative insights that motivate these advisers and activists differ substantially from how welfare beneficiaries, often in remote villages and townships with little or no access to help or counsel, understand the situation from a local vantage point. The former, inspired by ideas of a more just and properly regulated system, derive from the 'big picture' of problems of debt experienced across the country, and are fuelled by the knowledge of how those debts accumulate to form nation-wide trends (Vally 2016; Torkelson 2020). The latter, in contrast, must undergo, and negotiate, everyday predicaments of balancing incomes and outgoings according to the logics and rhythms of welfare payments and household provisioning.

To understand this case, we must briefly explore some of the developments following the withdrawal of the contract from the infamous and much-decried financial company, CPS/Net1.[6] A research project in which I was involved investigated whether and how the eventual withdrawal of that contract from the notorious company had affected (and allegedly improved) grant recipients' practices of borrowing and lending. It found, unsurprisingly, that aspects of the lending environment originally established by this company 'remain in place': just as before, grant recipients were continuing to seek credit 'because of enduring patterns of poverty and inequality'. An unintended consequence when responsibility for making welfare payments was transferred from the private to the public sector was that over 8,000 welfare paypoints across the country were decommissioned, with effects particularly intensely felt by remote rural populations living far from post office branches or ATMS. Many opted to keep their EPE ('green') card rather than transitioning to the new post office account (with its 'gold' one) (ibid.). The research report stated that

> as of March 2019, 9.5% of all grant recipients still use their Easypay accounts, which allow for automatic debit orders. Around 19.5% of grant recipients have other bank accounts with commercial banks (like

> Capitec or FNB accounts), some of which do allow for automatic debit orders. Many microlenders and payday lenders force grant recipients to open accounts with Easypay … in order to continue borrowing money as usual.
>
> (James, Neves & Torkelson 2020)

Somewhat ironically in the light of the opprobrium originally faced by Net1/CPS, it emerges that those who continue to receive their grant payment using the EPE 'green' card, and to continue using it to borrow from Moneyline, were now facing fewer problems than those who, alternatively or additionally, were taking loans from *mashonisas* (loan sharks).[7] These informal lenders, long a feature of life in black townships, had become much more prevalent with the gradually increasing liberalization of the economy during the 1980s and 1990s (James 2015: 92–7), and even more so since the new biometrically facilitated banking platforms enabled them to secure their loans by using borrowers' ATM cards as collateral. In short, the big corporate player that had previously been cast as the villain of the piece by the activist community was starting to be seen as less predatory and unscrupulous than these loan sharks. The operations of the two were, however, inextricably interwoven.

The impetus to explore how levels of debt and lending practices were shaping up following the withdrawal of the contract from Net1/CPS led those engaged in the project (including myself) to recognize some counter-intuitive aspects. Our report repudiates any simple 'before and after' contrast that valorizes public over private or formal lenders over informal ones.

> Advocates of 'banking the unbanked' often cite the formalisation of lending and borrowing as protection against the worst abuses of informal moneylenders or 'loan sharks' … [that] are said to abuse clients with stand-over tactics and high interest rates, or by controlling and retaining bank cards and PIN numbers. … People celebrate this as 'financial inclusion': a transition from exploitative … to formal, allegedly less exploitative, lending practices. In such a binary, it is easy to view lenders like Easypay as better alternatives to abusive practices, and many of our interlocutors did prefer Easypay under certain conditions—viewing it as the least-bad option. But to say that formal lenders like Easypay are better or worse than informal ones, is to miss the fact that their preferential access to this vast market had been handed to them 'on a plate' when Net1 was given the initial contract.
>
> (James, Neves & Torkelson 2020)[8]

Such a binary view also obscures the fact that the two other main types of lending – by 'cash lenders' and *mashonisas* – depend on the highly technologized and biometrically facilitated banking platform that was originally enabled by Net1/CPS (ibid.).

It proved extraordinarily difficult to pick apart the contrasting effects of reliance on formal lenders like Easypay/Moneyline and on *mashonisas,* as can be seen below from interviews with two women in the rural settlement of Gamamadi (known by its original Afrikaans farm name of Taaiboschgroet). Borrowers were making their own comparative judgements on the relative advantages and drawbacks of each. Taaiboschgroet embodies in microcosm some of the effects of South Africa's economic slowdown – and the accompanying reliance on increasingly precarious employment – since the 1970s. The government had originally introduced a system of cash transfers or social grants for 'impoverished children under 18, adults over 60 and people with disabilities' in order to stave off the worst effects of that slowdown. With the effective unemployment rate having reached 38%, this was 'almost twice as many people as access wages from waged work (10 million). … many working-age adults survive on the social grants of others (and the loans they access using those grants as collateral)'. Even more than previously, households were dependent upon grant recipients now serving as 'breadwinners', particularly in rural areas like this one (James, Neves & Torkelson 2020).

In one case, a borrower, 37-year-old Mpho, was receiving three child support grants totalling R1,260 monthly, in addition to her R3,500 earnings from an NGO that provided home-based-care for HIV/AIDs sufferers. Since her 59-year-old partner has never had paid employment, these sources provide the family's only income. To supplement it, she has for three years been taking out loans using her 'green' Easypay card. She regularly borrows R1,000 in December to buy new school clothes for the children and has R220 deducted monthly for the following six months. In July, she takes out a further loan of R1,000, incurring identical repayments, to buy winter clothes and other necessities for them. Her total repayments for each loan, as laid out in a 'pre-agreement statement', are R1,680. As with many similar low-income loans, much of the interest paid was disguised as 'initiation' or 'service' fees (Gregory 2012), but seen overall, with these sleights of hand removed, the effective rate was 38% over the 6-month repayment period.

Grant recipients like Mpho, not unlike Akhona in Case 2, calculated their Easypay borrowing in a planned bi-annual sequence: once in December, for Christmas clothes, and a second time in July, for winter clothes. This temporal regularity is more structured, and seems to be informed by greater insights into the advantages and disadvantages of various lenders, than was the case for a number of other borrowers interviewed for the study. However, to me and the other researchers, and to the Black Sash that commissioned the project, it still sounded egregious. Our overview, gleaned through an awareness of broader trends (including international ones) and informed by a knowledge of the relevant legal frameworks, showed that these practices were illegal. They amounted to a direct sequencing of loans with no 'cooling-off period', and the effective interest rate was higher than what the law allowed, and seemed doubly iniquitous given that Easypay faced no risk whatever in

recouping its repayments biometrically. They were guaranteed by reliable collateral: the state's steady stream of welfare payments.

Mpho was fully aware of the fact that the Easypay loan compared advantageously with the other – 'informal' – options available locally. But it was not a case of 'either/or'; she was availing herself of both. Alongside Easypay, she had also borrowed from two *mashonisas*. From the first she borrowed R1,500 and was facing monthly deductions of R660 in repayment (slightly less than the normal rate among such lenders of 50% per month). To secure these repayments, the *mashonisa* keeps her Easypay card. The system of repayment, albeit wholly 'informal' since it is not only transacted in cash but also because the interest rate is excessive, nonetheless relies on the foundational arrangements enabled by the 'formal' arrangements that depend on electronic file transfer of social grants for its viability. On the day the grants are paid, the *mashonisa* uses the card to withdraw his full monthly repayment of R660 in cash, recording these in a book and leaving her with the remainder of R600. She sometimes goes to the *mashonisa* to check her balance, and they agree on the outstanding amount. I did not manage to find out how the second *mashonisa* secured repayment. The risks of unsecured lending would, however, have become evident in this case. A borrower like Mpho has only one account and only one card, hence only one *mashonisa* is in a position physically to keep that card by way of collateral.

During the interview, I glean evidence of Mpho's readiness to calculate and reckon her budget and to compare different lenders.[9] The logic of borrowing from informal lenders alongside Moneyline is imposed by the clash between the latter's six-monthly repayment cycle, monthly rhythms of welfare payment and daily/weekly consumption needs (including unforeseen ones). Of particular urgency are unforeseen and sporadic expenses such as those incurred when taking a child to the doctor (R500, plus R70 return for transport to get to the nearest town). But they also include the demands of social investment in local funeral and savings clubs. Paying money to such clubs enables the putting aside of money for future use and makes it possible to ring-fence savings for groceries or to cover the costs of good neighbourliness, but getting into debt in order to make this possible can create a cross-cutting jumble of incompatible obligations (James, Neves & Torkelson 2022). Not all these borrowings, then, can be readily computed.

What enables these loans – and negotiates the relationship between them – is the Easypay 'green' card. As noted earlier, these cards were made available by Net1, the company that held the original contract to deliver social grants, which had been able to retain its remit – and many of its 'customers' – in some sites. In addition, in Taaiboschgroet where Mpho lives, Easypay pays grants at the beginning of rather than the middle of the month. Again demonstrating the importance of temporal rhythms to issues of payment, savings and debt in this low-wage environment, it was this early payment date that predisposed Mpho to keep the 'green' card rather than

switching to the post office's 'gold' one. She (like many others) keeps it not just so she can receive her grant earlier in the monthly cycle, but also so that she can continue borrowing from Easypay. Hi-tech biometric data and electronic banking systems, seemingly a world away from the crudeness of cash-based transactions, here converge, but in doing so they enable a proliferation of contradictory scales.

Although Mpho is nominally the holder of the bank account to which the green card is linked, she is the owner and keeper of the card itself in name only. It is in fact kept – as in numerous other cases – by the *mashonisa* who gave her the first loan. This withholding of cards can make it difficult for a grant recipient/borrower to calculate what she owes to whom. She is unable to get a mini-statement from the ATM, and the only time she becomes aware whether her formal loans have been paid off is when she gets what is left over from her grant after the *mashonisa* has taken repayment at month end. To enable her to fetch the grant from the van that distributes them, the *mashonisa* 'lends' her the card, then collects the cash he is due and reclaims the card. One of Mpho's friends tried changing from the 'green' to the new 'gold' post office-issued card in an attempt to escape the *mashonisa* from whom she had borrowed, only to be accosted by him in the queue when she came to collect her grant and he took the card from her 'by force'. The household's financial dealings may thus involve physical intimidation and struggles over the card itself.

Mpho nonetheless attempts to keep a comparative handle on the distinctions between, and cyclical demands and opportunities offered by, these various lenders. Asked whether one type is better or worse than the other, she points out that the Easypay loan is possible only every half year, but '*mashonisa* will lend you money any time'. Because these *mashonisas* 'are helping us in the middle of the month, when we have no money', they have their value. Even having the lender keep her card does not seem to her unreasonable, given that 'we are looking for money'; her income, she insists, is 'not enough'. But her budgetary savviness has limits – she also exhibits the classic denial of the debtor, being unable to compute how much she owes to the two *mashonisas* in total: 'if you could remember that amount of money, you would get a heart attack'.

Temporally oriented practices of the kind Mpho used resemble those adopted elsewhere in the world where poor borrowers faced with the extractivism of 'financial inclusion' (Guyer 2004; Guérin & Venkatasubramanian 2020; Kar 2018; Shuster 2019) attempt to strategize, playing off their obligations to various lenders against each other where this is possible (Guérin 2014). Mpho's story speaks against the common misconception that low-wage or welfare-dependent people lack the ability to compare options or the insights that may be provided by 'financial literacy'. They surely have a capacity to think more widely about the available options. There is a certain seasonal logic and a corresponding rationale to her package of loans; with the predictability of the 'formal' six-monthly money for clothes balanced against the mid-month *mashonisa* borrowings that are

pinned to a less foreseeable – but equally pressing – temporal rhythm. But the mixture of technologies used across the lending spectrum can serve to create a jumbled hybrid of owings and obligations, often constraining such calculative insights: the inability to get a comprehensive and comparative overview of debts is linked to the confusing array of repayment systems at play.

As before, it would be too simplistic to contrast advisors' readiness to see the big picture with the notorious 'denial' of the debtor, often attributed to a reluctance to view matters in perspective. Instead, there are factors that propel people in different situations towards more abstract or more particularistic kinds of comparisons, respectively.

Conclusion

This chapter has involved comparison at a range of levels. I end by drawing some links between advisors and those (myself included) who practice the craft of anthropology, whose work can be seen as paralleling the generalizing/particularizing tension outlined here. The disproportionate power of early anthropologists, especially those theorizing from 'the armchair', allowed them to some extent to 'see the wood' instead of 'the trees', and make generalizations about modes of production, modernity and the like. Yet as fieldwork brought them into intimate proximity with their informants, anthropologists were gradually compelled to recognize particulars and complexities, and to 'scale down'. They resemble advisors in some respects. Advisors are, relatively speaking, better-off than clients and have access, via those clients, to a wealth of comparative data and to the training that allows them to make big comparisons (between different debts, etc.) which can then inform their activism. Working from their more generalized knowledge, they attempt to enable their debtor clients mentally to formulate balance-sheet-style budgets that counterbalance 'income' and 'expenses' in a rational way and help debtors form an overarching comparative picture of their plight. Case 1 showed how such a possibility was enabled for Elaine, allowing her to transcend the particularizing and internalized feelings that debtors classically display: of 'attachment' (Deville 2015) combined with the moral self-blame characteristic of 'responsibilized citizens' (Brown 2015: 84). Yet to see this as a simple transfer from adviser to client of the ability to 'see the bigger picture' in a manner informed by a comparativizing enlightenment – or, conversely, to see the systemic exploitation of the poor as completely impeding their capacity to make these 'big picture' comparisons – would be to misrepresent the matter. For the social grant recipients in cases 2 to 4, the experience of dealing with and calculating money and repayment involved an interplay of an individually experienced bewilderment in the face of machinic biometrics, on the one hand, and a canny pragmatism and the ability to understand and calculate a complex set of machinations in time, all experienced and negotiated through the physical processes of owning, storing, guarding and negotiating over a bank card, on the other. The advice

encounter makes clear how these different comparative scales can sometimes shed light upon one another, while at others they speak in completely different logics.

This chapter represents not just a comparison of comparisons, but a comparison of comparisons structured in and around unequal exchanges of the kind that result from (and that in turn intensify) status and wealth differentials such as those of creditor vs debtor. It has given an ethnographic account of sets of opposing forces that come into play through the various kinds of comparison involved in the advice encounter. Because advisors start from the generalized grid and recipients start from specific practices that appear as unique, comparison pushes them in different directions. There are forces that, in some circumstances, propel people towards abstraction and generalization in their comparisons, just as there those, in others, that are conducive of particularism – or even drive people to refuse all generalizing forms of comparison. On the other hand, each of these tendencies represents a pole in an unrealized binary: fully general, abstract comparisons are always undermined, in the end, by the compelling nature of particulars, of difference and incommensurability; just as particularism is impossible to maintain in the face of the forces that drive towards abstraction. In the process, stark relations of inequality and exploitation are revealed.

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Notes

1 Some of the case study material is drawn from James (2019b, 2020a).
2 Since the time of fieldwork in 2016-7, most of these benefits had been replaced by a single benefit payment called 'Universal Credit'.
3 A debt relief order (DRO) is only available if the debtor owes less than £20,000 and lives in England, Wales or Northern Ireland. The debtor doesn't pay anything

towards her debts for 12 months, after which they will be written off. But she may only have a 'basic bank account' and may not take out further loans. An IVA is suitable for people with higher levels of debt and more assets and gives debtors more control of their assets than other forms of bankruptcy. It involves making regular payments to an insolvency practitioner or debt management company, who will divide this money between creditors.

4 Nick Pearson, Advice UK, and Alexa Walker, *Quarterly Account* 5: 16 (2007).

5 *Quarterly Account* 15: 21 (2009).

6 Pharie Sefali, "Money Lender Targets Social Grant Beneficiaries," *GroundUp*, 21 July 2015. www.groundup.org.za/article/money-lender-targets-socialgrant-beneficiaries_3140/ Accessed 14 January 2020. See Torkelson (2020) for more detail.

7 Often translated as 'loan sharks', this Zulu word refers to local lenders resident in the village, but may be translated as 'one who impoverishes' or who 'takes and continues to take indefinitely' (Krige 2011: 144; James 2015: 242). Those now beginning to take such loans included the 71% of grant recipients that switched to the post office's 'special disbursement accounts' (James, Neves & Torkelson 2020).

8 Breckenridge (2019: 93) illustrates in detail how this inescapable technical 'lockin' developed over the course of two decades.

9 In August 2019 I interviewed Mpho (a pseudonym) jointly with Black Sash partners who work at the Mamadi Advice Office.

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