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The social unit of debt: Gender and creditworthiness in Paraguayan microfinance

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ABSTRACT

Paraguayan microcredit poverty-alleviation programs are built around instrumentalizing women's economic ties through group-based loans guaranteed by no more than the promise of women's solidarity and joint liability for their collective loan repayment. I track the production and regulation of the social unit of borrowing in different aspects of microcredit, drawing on examples of individual loans, loans to "committees of women entrepreneurs," credit scores, and a short-lived program of "men's committees." I illustrate how the institutionalized management of creditworthiness actually produces the very flexible and relational feminized borrowers to which microcredit initiatives seek to appeal and, in so doing, creates certain kinds of gendered sociality by enacting and embodying different social units of debt.

Keywords: *economy, microcredit, solidarity, gender, development NGOs, Tri-Border Area, Paraguay*

From the crowd of people at Fundación Paraguaya's microcredit branch office in Ciudad del Este, one might readily assume that the organization lent only to women. Indeed, acquaintances who had only a passing familiarity with the Paraguayan development NGO routinely mistook it for a women's rights organization, since the branch's downtown location made the dozens of women in the waiting room every day highly visible to passersby. As I came to learn over the course of my fieldwork at the NGO, however, these gendered impressions did not accurately capture the underlying business model of the microcredit nonprofit. In fact, less than a quarter of the total capital in Fundación Paraguaya's lending portfolio went to women, a fact that seemed at odds with the NGO's public—and visibly gendered—face. Since it opened its first branch in 1985, Fundación Paraguaya has pioneered pro-poor, small business financing and support, with loans nearly evenly distributed to men and women borrowers (MixMarket 2009). What is more, beginning in 2008, the NGO experimented with lending specifically to groups of men as a counterpoint to its successful "committees of women entrepreneurs" program, which had been instituted two years earlier. The visible feminization of microcredit, then, invites an analysis of the bureaucratic and administrative side of lending to understand the gendered logics of creditworthiness animating the NGO's development mission.

Credit suffused daily life for many people living and working in Ciudad del Este. Viki, a microcredit borrower who intermittently ran a small grocery shop (*despensa*) in her neighborhood, reflected on the challenges of sustaining multiple payment regimes. Tellingly, she was also a lender, since many of her neighbors made purchases at her store on credit (*a fiado, a cuaderno*). Viki's husband had a steady job at a parking garage in the city center. Describing her financial obligations, she quickly ticked off a list of her monthly bills (*cuentas*):

[My husband's] income went up a bit to \$360 [1,700,000 Guaranis], but from that \$360 I owe my washing machine, I owe the moto, I owe the loan at the cooperative [savings and loan], I owe the microcredit, I owe my wardrobe, I owe the television, and from there it's already over half of the salary. There's nothing to spare. They say, "Your husband makes good money," but the truth is that it isn't much, a million Guaranis is very little. That Gs. 100,000 bill [the largest bill in Paraguayan currency], once you make change into smaller bills (*sensilla's*), it's gone in an instant. And that, together we owe a great deal . . .

Viki, 21 years old, was in charge of the finances of a household that included her husband, infant daughter, and five-year-old son. She and her husband had moved to their current home three years before, and she already felt overwhelmed by the debts she owed for the things that solidified and sustained her household. Pausing for a moment after enumerating the multiple debts she owed, Viki told me, "The thing is, if you owe, you also *have*" [*U'nica cosa es que si vos debe's, tene's tambie'n*]. Inclusion in the forms of consumption offered by commercial society in the dynamic import–export economy of Ciudad del Este meant stretching out and deferring payments for as long as possible. In other words, debt was the condition of having.

In this article, I consider the social relationships that were stitched together and ripped apart by small-scale credit in Paraguay. The everyday credit worlds of borrowers like Viki revolved around decisions about installment payments for things like a motorbike and the dilemmas of making change to pay bills; these quotidian financial obligations were tied to the offices and teller windows of credit institutions in surprising and powerful ways. Everyday, microcredit staff members as well as borrowers engaged in the work of turning the tangle of financial obligations that were the "condition of having" in Ciudad del Este into loan contracts. In addition to the material effects of lending and borrowing, I analyze the social unit of debt at the heart of credit access and repayment to understand the stakes of bundling some obligations and holding others apart in the process of administering the financial tool of microcredit.

Microfinance has become a global phenomenon in international development circles since the success of the Grameen Bank launched the microcredit model into global debates about poverty, aid, and the inclusion of the poor in financial markets. A key aspect of microcredit is the pervasive assumption that women are more responsible borrowers than men and also that they are more likely to pass along their gains to their children and families (Khandker 1998; Pitt et al. 2006). Indeed, the uplifting stories of individual women who borrow are an important part of the authorizing discourse that has made microfinance so appealing within international development frameworks (Black 2009). However, considering the broader implications of microfinance beyond feminized borrowers per se can let us see "woman" as a fragmented category refracted through the terms of credit. As I argue, the tightly interlocked "credit/debt dyad" (Peebles 2010)—or the seemingly self-evident financial terms binding borrower and lender (cf. Gregory 2012)—puts us at risk of taking the unity and stability of the social unit of debt for granted. While economic anthropology has long shown how even the most abstruse and high-flying forms of finance are deeply social (Ho 2009; Zaloom 2006), here I identify the regulatory forms by which credit and debt in development—and beyond—produce gendered sociality in and through the lending practices themselves.¹ Following loans as they unfold in the credit worlds of borrowers and lenders goes beyond positing a formation of gendered economic sociality that preexisted and was transformed by microfinance. It also goes beyond theorizing how microcredit assumes and banks on women's solidarity. By focusing on collective indebtedness where it

seems most natural, I track how the seemingly obvious embeddedness of women is produced and its consequences.

I draw on examples of Fundación Paraguaya's administration of individual and group-based microloans, credit counselors' selective use of credit scores, and, finally, the institutional postmortem of the short-lived "men's borrowing committees" to examine the regulation of gender and credit in daily financial practice. In each case, Fundación Paraguaya's staff read creditworthiness through the economic relationships of an unruly (and unstable) social unit. What I am calling the "social unit of debt"—be it the microcredit "client" or "borrowing group"—always threatened to exceed the contractual terms of debt and repayment because of shifting obligations to fellow group members, but also families, neighbors, and business partners, which all anchored the repayment possibilities of financial debts. Following a classic insight from Marilyn Strathern, we might say that the "gender of credit," like the gender of the gift, destabilizes totalizing notions of sexed bodies and refocuses attention on economic agency that emerges through a process of "situational rhetoric" (1990:86). The gendering of creditworthiness was a crucial mechanism for producing and defining that social unit in daily administrative practice.

Dilemmas of inclusion: Economies of gender in Paraguay

Microcredit's purchase in development circles has in large part been due to its promise to correct a gender injustice, namely, that men had physical collateral and women did not. Of course, as feminist scholars have long pointed out, inequalities in economic access are not merely questions of inclusion. Women's empowerment through economic independence has been a flashpoint in feminist debates about gendered inequalities, as many have argued that the emancipatory ideals of second-wave feminism have been co-opted and appropriated by the very ideological apparatuses from which they sought to free women in the first place. Nancy Fraser (2009) has noted that the very language of empowerment and independence voiced by feminists in the postwar era now feels uncomfortably close to neoliberal ideals of women's economic self-help through the freedom of market participation.² Within the world of development NGOs in Latin America, the surprising conjuncture of neoliberal economic reforms and women's empowerment had the very pragmatic effect of reshaping the institutional structures and mission goals articulated by feminist organizations (Thayer 2010). Sonia Alvarez has tracked what she calls "NGO-ization" in Latin America through a study of feminist advocacy groups across the region. As she argues, the regulation of the NGO sector reshaped the debate about gender justice by promoting "technically capable and politically trustworthy [organizations] to assist the task of 'social adjustment'" (Alvarez 2009:176) under Washington Consensus economic restructuring.

Paraguay's Tri-Border Area typifies many of the asymmetries in women's wages and remuneration that go to the heart of microcredit's calls for more inclusive forms of credit. The tectonic shifts in economic policy in the Americas raise a further set of questions about economies of gender in Paraguay: Why were these forms of gender division valued over possible others? Founded in 1957 as one of the inaugural policies of the repressive Alfredo Stroessner administration, Puerto Presidente Stroessner (later renamed Ciudad del Este) quickly became the epicenter of a population boom on the triple frontier between Paraguay, Brazil, and Argentina, as migrants sought work opportunities in the city's economically vibrant cross-border trade and, later, as laborers at the nearby Itaipu' Dam construction site. In keeping with labor discipline in company towns elsewhere (cf. Grandin 2009), John Howard White's history of masculine labor

and feminized domestic life in the Itaipu' era found that, "while male dam workers were being transformed into industrial laborers and skilled professionals at the dam site, female spouses were instructed as how best to be housewives, to scientifically manage the home and raise children, and to fill the 'free hours' of the day with productive activities" (2010:160). This distinction perdures through the present day, as the Itaipu' facility continues to pay for a daily shuttle service for dam employees to go home and enjoy a midday meal that their wives prepare for them. In commercial life too masculine trades were licensed and recognized through syndical federations, the most dynamic being the taxi-drivers' union that was central to cross-border transportation and the street-stall vendors' federation that controlled access to semiformal commerce downtown (Rabossi 2003). The development of the city, then, crystalized distinctions between masculinized vocational labor and feminized domestic life, even though the latter was expected to be productive as well. Ciudad del Este's history raises important questions about the cultural politics and contexts of gendered economic life that bear explicitly on women's collective borrowing in microcredit programs.

The singular role of women in Paraguayan configurations of domesticity and labor has its roots in geopolitical struggle—rather than claims to political or labor rights—in the 19th century. The legacies of Paraguay's defeat in the War of the Triple Alliance (1865–70) have continued to shape the division of labor and political rights in Paraguay, well through the modernization projects and market reforms in the 20th century that gave Ciudad del Este its particular masculine trades. The catastrophe of the war for Paraguay cannot be overstated; historical demographers estimate that up to three-fifths of the population perished in the conflict and its aftermath, and, "with four or five women for every man, Paraguayan society was hardly normal" in the postwar period (Whigham and Potthast 1999:185). Historiographies of women's role in the reconstruction of the nation after the war point to struggles over gender and citizenship during Paraguay's political and social regeneration. According to Alberto Moby Ribeiro da Silva's account of the war's aftermath,

While the troops of the [Brazilian] occupation, the [Paraguayan] exiles, almost always liberals, and the foreign immigrants, bearers of the "new order," reordered the public life of Paraguay—political, parliamentary, land occupancy, commerce, etc.—fundamentally it fell to women of the "popular classes" to reconstruct customary culture through the informal education of children, and manage private life and petty commerce. [2010:75]³

Despite Paraguayan women's active role in the conflict, traveling with the army and in many cases taking up arms themselves, the template for public life after the war followed European ideals of political liberalism that largely excluded women from the public sphere. By the turn of the 20th century, the Paraguayan statesmen—and they were all men—who took up the mantle of "regenerating" the nation had positioned women as the "progenitors of the regeneration,"⁴ the re-edification of a fallen nation," in the words of Juan R. Dahlquist, the inspector general of education, in 1904 (da Silva 2010:262). Given the massive demographic imbalance, however, women shouldered important duties in everyday economic and social life, from preparing and selling food to working small parcels of land to rolling and selling cigars in the market. However, the reconstruction failed to achieve the sorts of political and social advances enabled for women, for instance, in postwar Europe. In parallel with processes of politico-economic liberalization elsewhere in the hemisphere, the independence and strength of women was valued as a founding myth of the nation, while their actual daily work went

unremarked in the newly remasculinized public sphere. That women's economic networks would later be recruited into microcredit "social collateral" to guarantee loans, then, is actually in keeping with a particular history of how women came to be highly socially obligated subjects in Paraguay. The actual form that women's borrowing would take, however, could not be readily predicted from the "structures of expectation" (Cattelino 2010) around women's domestic labor.

As Paraguay's economy liberalized further in the 20th century, and especially in the two decades after the formation of the Mercosur regional trade block in 1991, the gendered division of work and domestic responsibilities shifted very little. Paraguayan labor sociologists conclude that "the observable data shows that the Paraguayan labor market is highly segmented by sex. The roles and 'responsibilities' culturally designated to women are different from men, and this has repercussions for their work opportunities" (Geoghegan 2008:79). Labor economists in Paraguay suggest that the difference in income between men and women is much lower in the formal sector (10 percent) than in the informal sector (25 percent), since women are much more likely to take on nonwage positions that are poorly remunerated (Geoghegan 2008; see also Masi 2000). Thus, women's work in informal microenterprises is figured as doubly disadvantaged. Women face lower wages than men do in informal businesses because of unequal income structures. Further, building on the legacies of appropriate femininity assembled in the aftermath of the war and crystalized in the development of Ciudad del Este, this difference is attributed to unequal allocation of unpaid household responsibilities.⁵

Women, labor economists conclude, work predominantly in these low-paying positions in small and microenterprises because of their "flexibility" (*flexibilidad*), a term used by Verónica Serafini Geoghegan to gloss both flexible entry and exit from the market as well as flexible hours.⁶ This flexibility allows women to fulfill family obligations as well as work for income but also means that they must settle for jobs "with a high degree of precariousness, without social security coverage [health and pension options], with high income and employment instability" (Geoghegan 2008:80). The precariousness of women's work is particularly acute in the border city of Ciudad del Este, where women have long participated in the small-scale smuggling (*contrabando de hormigas*) that sustained commercial society in the Tri-Border Area (Ferradas 1998) even before the city was officially named a "special customs zone" (*zona franca*) in 1971. Flexible labor of all sorts—from Viki's neighborhood grocery shop to cross-border contraband—is not a last resort for women. Both informal labor and informal credit are indispensable to what Viki called the conditions of "having." This flexibility also means that women as economic subjects in Paraguay are understood as always already social and interdependent, which serves as both the explanation and the justification for income difference, particularly in the informal sector.

That Paraguayan women are figured as especially bound by social duty—to the family, and by extension, to the nation—has important implications for microfinance collateralized through social ties and mutual indebtedness. Microcredit in particular has been criticized by feminist scholars for its complicity in the commodification of women's relationships of social reproduction and care, putting them in service of global finance (Appadurai 2011; Roy 2010). Several scholars, following David Harvey (2003), have linked microfinance development initiatives with Marx's critique of "primitive accumulation," reformulated for the age of global capital as "accumulation through dispossession" (Elyachar 2002; Keating et al. 2010). This line of inquiry is broadly consistent with research on microcredit that finds correspondences between microcredit's reliance on what Katherine Rankin (2001) calls an ideology of the "rational economic woman" and the depoliticization of dispossessed groups through their incorporation

into market-based development interventions in the wake of retreating state services and social safety nets (Weber 2002). As Julia Elyachar's ethnography of workshop life in Cairo has shown, the social networks have been incorporated and marketized under the rubric of microcredit "empowerment debt" (2005:29). Scholars building on this critique argue that microcredit and other market-driven development strategies are exploitive, since they literally bank on the survival strategies of the poor, and also coercive, since they alter the cultural value of poor people's social relations in the process of extracting economic value from them.

The relationships among woman microentrepreneurs and the market, however, are not straightforward at Fundación Paraguaya or in Ciudad del Este's commercial economy more generally. As I explore in more depth in what follows, women's traditional support networks—especially familial and neighborly ties—made up only a portion of the "social collateral" that secured collective indebtedness. More to the point, Fundación Paraguaya took an active hand in shaping the priorities and proximities of its highly socially obligated borrowers by asking relative strangers to rely on one another for credit access and repayment. Many borrowers talked about their fellow group members using the impersonal term for business affiliates, or *socias*, even when those groups were also made up of kin and close friends. As I show elsewhere (Schuster n.d.), this had dramatic consequences when groups had to settle internal disputes or even come together to pay the loan installments of a *socia* who had died. Since Fundación Paraguaya was founded and run by a prominent member of the Liberal Party political opposition with strong commitments to Paraguay's legacy of market-led development (cf. Abente 1989, 1993), and not by First World activists, the origins story of the feminist principles animating women's "social collateral" is not easy to untangle. Turning women into *socias* is neither entirely about creating neoliberal individuated agents nor wholly an exercise in feminist consciousness raising. At stake is a politics of debt that is not reducible to the "moral evaluation of the transactors" (Gregory 2012:381), since the transactors themselves—their boundaries and qualities, inclusions and exclusions, component parts and unified wholes—are themselves up for grabs in the process of lending and borrowing.

Microcredit in administrative practice: Individual and group-based microloans

In 2006, Fundación Paraguaya expanded its lending program to include group-based lending to "committees of women entrepreneurs" (*comite's de mujeres emprendedoras*), having previously built its microlending program around individual small-business and consumer credit. Since it was founded in 1985, the NGO had extended microloans on an individual basis as small-scale business and consumer credit, with its clients nearly evenly distributed by gender (MixMarket 2009). Members of the political opposition had opened the first branch in Asunción, Paraguay's capital, during the Stroessner regime; since then it has grown to 18 offices throughout Paraguay. Despite its thoroughly local provenance, Fundación Paraguaya had long been in conversation with international organizations shaping the global microcredit project, including a longstanding partnership with Acción International. One reason for the sudden shift in policy to include the "committees of women entrepreneurs" program had to do with the renewed visibility of "social collateral" after the venerable Grameen Bank group was awarded the Nobel Peace Prize in 2006 for its work on "village banking." Fundación Paraguaya embraced the classic—indeed, some might say outmoded—"social collateral" model even as commercial microfinance was eclipsing the nonprofit model (Kar 2013), especially in Latin America. Suddenly, women became the face of Fundación Paraguaya, even though this historically had not

been the case. The “committees of women entrepreneurs” program extended credit to groups of women who jointly borrowed and were jointly responsible for loan repayment. In a practical sense, this meant that the group paid its loan installments as a unit, and the NGO tracked the borrowing history of the whole group and not its individual members. In effect, one woman could owe her group money, but if the “committee” managed to come together to cover her share, the NGO would never know. Conversely, a borrower might be paid up with her committee but be considered in default if the treasurer of her group turned in the collective payment late.

Within the office, senior loan officers managed the loans for individual small business and consumer credit. Junior credit counselors worked entirely with women, since they oversaw the group-based loan program. This division of labor meant that loan officers managed “credit” generally and discussed their work in terms of an unmarked “client”; credit counselors managed the credit of “groups” (*grupos*, sometimes simply “committees,” or *comite’s*), which often required the additional oversight of individual women who made up the membership of the groups.⁷ I often shadowed both loan officers and credit counselors on their daily field visits and, that way, gained a sense of the patterns that structured Fundación Paraguaya’s lending and administrative practices.

In many ways, the working categories of “individual loan” and “group loan” that Fundación Paraguaya relied on to structure and manage its lending programs were serious misnomers. In practice, individual loans were not individual at all. As with most loans in the Paraguayan formal banking system, individual microcredit lending required a cosignature by a guarantor, who went through a separate assessment process for fitness to underwrite the loan. Thus, individual loans were legible as contractually binding a singular “client” but also worked to include a host of other social connections, which, in practice, made them quite similar to “group loans,” even if not in name. Those economic relationships most often were codified in official paperwork certifying the claims that the prospective borrower had over the assets, inventory, credit lines, savings, income, and collateral that would make the loan applicant creditworthy. Many documents were required to authorize individual borrowing, and those same documents were required of the guarantor, including proof of income and of residence (usually, a paid utility bill), a copy of the title to some property (like a deed, vehicle registration, or inventory for a business), and a credit check report. A family member, most often a spouse, served as guarantor for the vast majority of Fundación Paraguaya’s individual microloans, though grown children were also common cosignatories. Having a spouse or other household member as guarantor often eased the burden of collecting documents. If both borrower and guarantor owned joint property, some of the same documents sufficed for both parties. And quite often, the loan was not destined for the exclusive use of the individual who signed as the primary borrower but, rather, was subsequently divided between the cosignatories for their own purposes.

This inappropriate designation—individual loan—was consequential because it marked the relationships and forms of interdependency (or lack thereof) that were expected to underwrite these different types of microfinancing. Two longtime affiliates (*socios*) of the fundacio’n, a married couple in their early fifties, typified the individual loan “client.” Their loan officer, Josefina,⁸ spent her afternoons making house visits to her clients to initiate lending to new borrowers and to approve further borrowing by her existing clients; she brought the necessary documents to their homes to verify their address and assess their merit of further borrowing from the fundacio’n. Josefina’s use of the plural *clientes*, or “clients,” when referring to an individual loan was key, since it already signaled the slippages in the social unit of debt; although only one individual—in this case, the husband—was the contractually liable borrower, both husband and

wife were glossed as clients with equal standing at the fundación. The pair had grown children and lived alone in a modest house in an outlying neighborhood of Ciudad del Este. The wife was an Avon representative and sold other cosmetics to her neighbors and extended family; the husband worked as a wholesaler and owned a vehicle that he used to make deliveries. Their line of credit at the Fundación had increased over several years of borrowing, and now they were automatically approved for a loan of 2,500,000 Guaranis, or about \$520 (at 33 percent annual interest) paid back over 12 monthly installments. The loan amounted to about double the monthly minimum wage for salaried positions in Paraguay (a wage that was considered adequate income for a working-class family). For an average borrower, this loan might represent a quarter or more of his or her annual income.

When Josefina asked how the couple planned to spend their loan, they said that part of the loan was earmarked for repairs on the husband's truck so that he could continue making deliveries. The wife also wanted to pay off some of her cosmetics suppliers and make purchases for the household. The loan essentially worked much like a joint credit card, allowing the couple to purchase big-ticket items and then make smaller monthly payments to cancel the outstanding debt. Individual loans were most often for families and were usually destined for a combination of consumer credit, bills, and investment in self-employed business ventures. In this case, Josefina's clients were a dual-income family with assets distributed across multiple economic relationships: suppliers and loyal customers of both their businesses and joint ownership of a house, just to name a few economic relationships at work here. There is certainly a class dimension to their designation as individual clients and participation in the small-business credit program. However, as Viki's laundry list of loans attests, women who engaged in group-based borrowing often were individual clients elsewhere; Viki herself was indebted to a Paraguayan finance company (*financiera*) and was involved in various forms of consumer credit. For Josefina's "clients" at Fundación Paraguaya, many relationships anchored the creditworthiness of the loan applicants, who, despite these manifold interdependencies, fell under the administrative category of "individual loan" recipients.

From this, I suggest that the "individual" was very much a product of his or her encounter with the lending structure behind the microloan since this loan might equally be described as a "group-based loan" or "household loan," especially given that, if it went into collection, both the borrower and guarantor would be liable. The "individual" borrower stood in for the heteronormative household and was brought into focus through the lending process itself, even though the loan was effectively distributed across a variety of persons and was carried by the intimacies of family, work relationships, and household obligations. Tellingly, the family was considered a feature of the unmarked "client," since clients' relations were considered personal attributes or qualities of the individual borrower. The individual creditworthy borrower as the social unit of debt stood in for and subsumed those modes of interdependency.

Dilemmas of group membership: Solidarity as joint responsibility

In contrast to the NGO's individual loans, group-based loans did not recognize social relations as personal attributes that could be concretized in documents. The only requirements for group-based borrowing was a photocopy of each woman's national identity card and a credit check performed at the office by the credit counselor. The most important marker of creditworthiness was membership in the borrowing group. Indeed, joint liability was conceived in response to women's lack of documented assets and income; women's unequal access to

physical collateral, after all, is one of the primary justifications for microcredit loans. In the administration of loans for committees of women entrepreneurs, social relations were recognized as structural bonds that grounded the social whole and encompassed various individuated parts. On one hand, individual loans spun off all sorts of social effluvia, including manila folders stuffed with merchandise contracts, land titles, and wage and salary contracts, all of which supported the creditworthiness of the Fundación's individual "clients." On the other hand, for group-based loans, the social unit of debt was the "committee," to which women were related as "members" rather than as personally creditworthy "clients."

For the fundación, women's "flexibility" made them ideal candidates for group-based microcredit borrowing, but it also highlighted the precariousness of women's claims on income; when flexibility was read as instability it could jeopardize their loan repayments. In the absence of documents that concretized financial relationships, credit counselors administered the creditworthiness of committees' group-based loans by managing the shifting intimacies and connections that held the borrowing groups together. Below, I work through one example of the Fundación's management of tensions among different forms of economic interdependency.

In contrast to individual microloans, in which the identification of "client(s)" was flexible and often based on the contextual parameters of the business, family, and guarantor relationships, the membership of "committees of women entrepreneurs" was seemingly clear-cut in administrative practice. However, in everyday administrative contexts, the credit counselors who administered these loans were fully aware that women relied on a whole host of social and economic obligations that extended beyond the boundaries of joint liability anchoring the microcredit group. Fundación Paraguaya's relationship with one of its financial backers, Kiva International, underscored some of the dilemmas that arose around the terms and extent of membership in a borrowing group.⁹ If women were thought to be especially good candidates for group-based loans because of their already hypersocial economic lives, for the purposes of determining creditworthiness, where was the boundary around the social unit of debt to be drawn? Which social relations counted for "social collateral," and which fell outside the bounds of credit?

The constitution of a group that received loans through Kiva was dramatized in several administrative rituals in addition to the daily work of Fundación Paraguaya and the prosaic management of credit. A photo of the group of borrowers was published on the organization's website, accompanied by the name of each of the group members. Fundación Paraguaya's credit counselors were tasked with reporting the progress of the group—labor they talked about as "working my Kiva" (*trabajando mi kiva*)—in elaborate computer spreadsheets that were forwarded to the head office in Asunción and from there to Kiva's headquarters in San Francisco, California. In practice, there was more bureaucratic give in the system than the claims to total transparency and accountability might suggest. As scholars have noted, the credit cycles often overlapped unevenly with the information and reporting cycles that underpinned the fundraising drives announced on Kiva's website (Black 2009; Moodie 2013), such that U.S. donors were encouraged to offer a loan to a group that was already midway through its credit cycle. However, from Fundación Paraguaya's perspective, Kiva loans differed only slightly from group loans administered through other funding streams; the major difference was that group membership was visible through more bureaucratic moments than loans that were handled entirely in-house. In fact, Fundación Paraguaya's own policies in many ways anticipated some of Kiva's requirements and were, if anything, more rigorous about defining and convening the group, from long bus rides for women to make periodic appearances at the headquarters, for which the entire

group had to be present, to detailed maps drawn by credit counselors locating each borrower within a neighborhood. The relationship between Kiva and Fundación Paraguaya upended many of my expectations about the power relations between international development organizations and their local partners.

The importance of fully accounting for group membership, then, was a central concern at the Ciudad del Este branch office when a group of Kiva interns traveled to that office to interview Fundación Paraguaya's clients. The credit counselors at the branch office hurriedly called several committees to arrange midafternoon field visits in the neighborhoods of some of their members. These sorts of home visits were not unusual for NGO staff, as both loan officers and credit counselors spent about half of each workday traveling throughout the city to initiate, oversee, and renew the loans of their borrowers. Maria Elena, one of the young women who worked as a credit counselor at the NGO, arranged for such a visit one afternoon, and I followed her and the Kiva interns out to meet with the committee. The particular borrowing group to be visited was located in a middle-income neighborhood not far from the city center. The modest houses were quite similar to the dwellings of Josefina's individual "clients." Considering the proximity to Ciudad del Este's commercial downtown, I was not surprised when only 15 of the 20 members were present. Many women in the group had full-time work in the bustling commercial trade and had not been able to leave their jobs to attend the hastily arranged meeting.

Many of the absent group members worked as cleaners, cooks, domestic workers, and street vendors downtown, which meant that they used their microcredit loans for consumer credit rather than as capital for a business. Their labor was both semiformal (with few wage protections, no licensing, and little documentation) and highly inflexible. They could not miss work for fear of losing their jobs and thus did not enjoy the flexibility of self-employment presumed by the entrepreneurialism of the NGO's "committees of women entrepreneurs" program. As a consequence, the same sort of wage labor that could be converted successfully into loan documentation for Fundación Paraguaya's individual "clients" actually prevented many women from meeting the basic terms of the putatively more inclusive group-based lending and "social collateral."

Maria Elena speculated aloud that 15 women might be sufficient to hold the meeting. After checking her Kiva handbook, however, she found that, for a group of 20 borrowers, Kiva required a quorum of 17 members for the purposes of photos and other documentation. Neither of the Kiva interns seemed particularly inclined to press the point and cancel the meeting, but Maria Elena took the guidelines seriously and suggested that they try to arrange another time to visit. The borrowing group, clearly annoyed at having left their homes and their work to convene the meeting, quickly set about making arrangements to fulfill the 17-person minimum so that they could hold the meeting as planned. When Maria Elena attempted to reschedule, the president and treasurer of the group insisted that they could "complete" (*completar*) the group to meet the 17-person photo requirement without any issues. One woman was dispatched to find her teenage daughter, who was at home, and another woman enlisted the neighbor she employed to help with cleaning and cooking to stand in for another group member. In the view of the borrowing group, these women were really an extension of the group anyway, as they participated in the same economic relationships that stitched the neighborhood together. Their ease in asking other women to stand in for absent members was consistent with the dense economic obligations that undergirded the "solidarity loan," even if only to justify the use of substitutes in a routine administrative requirement. Their primary concern was to "fill out" or

“complete” the group (*vamos a completar*), repeating that there was no trouble holding the meeting since they could reach the required number even if not with the “correct” women.

In the end, the meeting was rescheduled for later in the evening, when 17 group members could be present. The group, in the borrowers’ view, was anchored in the neighborhood and was not wholly defined by the contractual joint obligation of the loan. The credit counselors, the Kiva interns, and the committee all seemed inclined to consider the group “complete,” but the institutional imperative of matching money directly with people meant that “solidarity” did not extend beyond actual committee members. And this was certainly not the only bureaucratic ritual that required the presence of the full group. The full *comite*’ was required to be present at the office for a new loan cycle to be initiated, which explained the dozens of women who convened in the branch office, sometimes waiting for hours for one final member to make her way there. In both cases, the arithmetic of solidarity emphasized the sum total of membership of the group.

In diverse ways, then, the Fundación operated under a sort of Goldilocks rule of solidarity. Too much solidarity and the group ran the risk of having their economic lives so entangled that they would not be able to generate income independently to repay their loans. Too little and the connection forged through contractual joint liability would not be sufficient to hold the committee together. Within the broader administration of microcredit group-based lending, establishing and regulating the social unit of debt was hard work for both lenders and borrowers. Crucially, internal group interdependency relied on external ties to sustain and stabilize the group, a social reality underscored by the Kiva neighborhood visit, which showed that women managed all sorts of obligations, many of which were conceptualized and carried out in economic terms. In my conversations with them, Fundación Paraguaya credit counselors noted that it was precisely the flexibility of their economic participation that made women so eager to incorporate members with external claims on sources of wealth and support. As exemplified by the Kiva meeting, however, the convertibility of women’s work into creditworthiness had a gendered cultural politics, since a steady job was precisely what prevented a woman from complying with the institutional and administrative requirements—of both Kiva and Fundación Paraguaya—that were the basis of “social collateral.” Credit counselors expressed relief when they found that a prospective women’s committee borrower had a husband or mother-in-law or daughter with a stable salaried job, like Viki, whose husband worked at a parking garage downtown. If the borrower ran into difficulty making her weekly loan installments, the credit counselors reasoned, she could probably enlist the financial help of a relative to make up the shortfall, rather than impose that burden on fellow committee members (cf. Brett 2006). Credit counselors like Maria Elena managed their clients on the basis of their sense that women’s unstable employment in the informal economy meant that each borrower, on her own, probably would not have the income to consistently pay back her microcredit loan, while they also tacitly acknowledged that the loan was rarely for a borrower’s personal entrepreneurial venture.

If the individual microloan brings into relief the “individual borrower” through his or her encounter with the loan contract, the solidarity loan brings into relief the “committee,” particularly as a unity based primarily on joint liability. In other words, Fundación Paraguaya’s two-tiered lending structure not only managed a sizable loan portfolio but it also managed the “individuality” and “groupness” of its clients. The different loan requirements, documentation procedures, and membership criteria worked to construct different classes of borrowers based on different assumptions about gendered forms of collective debt, from the unmarked client–guarantor relationship to the marked microcredit “committees.” The constellation of documents and relationships marshaled as evidence of creditworthiness for individual and group-based loans

produced and reproduced economic subjects with differential capacity to embody or encompass those external relationships. It produced the social unit of debt.

Calculating credibility: Credit scores and the consequences of default

The link between the social unit of debt and external relationships is especially significant in light of the central place of formalized credit as a socially important way for women to manage their own claims and the claims of others on the economic resources of their households, communities, and extended kin networks. Often, the strictures of formal financial relationships offered a way for women to protect resources, as borrowers often lamented the ways that “money flies from your pocket.” Here, I track how the gendering of creditworthiness exposed women’s committee members to especially debilitating forms of externalized surveillance through Paraguay’s private-sector credit scoring system. Paraguay’s historically gendered division of labor, however, would not necessarily predict the hierarchy of obligations within and between households. Women often took the lead in managing household finances, including their loans and the wage income from a husband or partner. As Viki’s enumeration of credit so vividly demonstrates, monthly debts (*cuentas*)—including microcredit quotas, bills, and payment plans—were the idiom and practical mechanism through which women managed their household finances. Their credit worlds were made up of a list of anticipated obligations rather than a daily tally of income and expenditures.¹⁰

The importance of *cuentas* as a hierarchy of obligations could be seen most strikingly in the moment when the microcredit installment came due. Within one women’s committee, for instance, the group’s leadership was involved in a local neighborhood association with its own financial commitments and also had economic ties within neighborly and kin circles. In one example of the broader context of these overlapping obligations, the day before the biweekly loan installment came due, the group members were working on a neighborhood fundraiser and bake sale at the same time they were collecting the microcredit “quota” (*cuota*) from members. As I was helping with the preparations, a former member of the group, a formidable woman named Doña Modesta, rolled up on a motor scooter, horn tooting merrily, and waved to us over the wire fence enclosing the household. Calling Bernarda, the treasurer, over from her culinary preparations, Doña Modesta opened her purse and extracted two green bills, each for 100,000 Guaranis (\$20). This was a visually striking payment since the notes were the highest denomination of Paraguayan currency. The money was for the microcredit payment that was due the next day, but, as Doña Modesta had left the group in the previous cycle, her payment was for her daughter’s and her niece’s loan installments. Both of the younger women lived in the neighborhood. Bernarda, as treasurer of the microcredit group, would take all the group members’ payments to the Fundación’s office downtown to pay the committee’s next installment the following day. But the 200,000 Gs. was not just for the microcredit payment—it was also meant to cover the family’s contributions to the neighborhood fundraiser. Neither Bernarda nor Modesta made clear exactly where to draw the dividing line between the microcredit payment and the community fund contribution. Bernarda accepted the money and told her friend that she would get her change later when she had a chance to break the big bills (*sensillar*). In practice, this sort of delay in making change often served as an informal extension of credit. Money came in for both the microcredit loan and the neighborhood commission. And a floating loan remained in the form of the unreturned change that the treasurer would pay back later.

Money bled back and forth between the collective funds for the two different associations, both within and between families. After Doña Modesta left, Bernarda and her neighbor—Modesta’s daughter—undertook the task of accounting for the upcoming microcredit installment. The fat envelope that held the microcredit payment was passed back and forth across the fence between neighbors to double-check that they had, in their words, “completed” (*completado*) the installment, in the same way that the group of Kiva borrowers strove to “complete” the group. Here the phrase seemed particularly apt. The installment—as a fixed amount, like pending cuentas—loomed large, and concern focused on filling in whatever little shortfalls remained to complete the requisite sum. (See Figure 1.)

Since Fundación Paraguaya imposed a strict payment schedule on the microcredit group, it was usually considered more important to account for all of the committee money than the neighborhood commission money. The labor that Bernarda put into the activities for the commission also seemed to do some of the work of *completando* (making up the difference) for what money might have been shuffled from the neighborhood fund to the microcredit payment. But accounting for her cooking labor was not a straightforward process either. Surveying the ingredients, Bernarda commented that she might even be able to double or perhaps triple her investment and perhaps make some money for herself. Puzzled, I asked how she was going to make any money if the investment came from the neighborhood commission; was not the profit supposed to be for the neighborhood? Bernarda answered a bit evasively, saying that it was but that she still hoped to make some money if she worked hard at it. She hoped, it seemed, to have some extra profit once all of the obligations to the neighborhood commission and the microcredit group had been met. Tellingly, the fundraiser actually had an inbuilt sense of debt organizing the expectations around the money the women were hoping to collect.

Both external support and external surveillance of borrowers’ finances, then, came from a variety of locations. In the microcredit world, external surveillance had a specific gendered component and mapped differently onto the social unit of debt for the NGO’s distinct categories of loans. Whereas Bernarda’s borrowing group moved fluidly between individual and collective management of economic obligation—an interplay of neighborhood resources, personal gain, and group membership—the Fundación emphasized collective liability for women’s committees, a practice that was especially visible in how the NGO used credit scores. Borrowers’ credit histories were provided by a private-sector Paraguayan credit scoring service called Informconf, established in 1963, which offers an annual subscription to its database and collects credit information on nearly all adult Paraguayan nationals. The credit check system is so far-reaching that even borrowers with few links to the formal financial sector figure in the Informconf database (cf. Han 2011, 2012). Informconf has become nearly synonymous with creditworthiness in the world of business as well as the lived experience of most Paraguayans, similar to the way Fico scores have come to permeate the U.S. consumer credit market (Poon 2009). Informconf credit reports for committees of women entrepreneurs epitomized the collective liability at the root of group-based loans. Each borrower signed a contract for the total amount of the loan and was listed in the Informconf database as indebted for the total sum that the group borrows. This was true for both the borrower and guarantor in individual loans as well; both were listed on an Informconf credit report. However, because of the large size of the group and the dearth of other documented financial ties, women who borrowed as a committee pushed the implications of that joint responsibility and external surveillance to an extreme. For example, when the 20 members of Maria Elena’s group renewed their loan for another cycle, and each



Figure 1. The treasurer of a “committee of women entrepreneurs” counts her group’s weekly microcredit payment, Ciudad del Este, Paraguay, July 29, 2010. Photo by Caroline E. Schuster.

borrowed 1,000,000 Guaranis (about \$200), they would sign a collective loan contract for Gs. 20,000,000, or about \$4,000. That sum, which represented more than double a year’s income for many of those borrowers, was then divided up and a portion was allocated to each member. If any member of the group were to default on her loan, the group would have to respond to cover her installment or risk being collectively “entered into Informconf” as defaulters (*morosas*).¹¹ The arithmetic of joint responsibility would not, however, record the outstanding balance of each member—that is, the \$200 that represented one-twentieth of the total—but, rather, each woman would be listed as owing the full \$4,000 of the 20-member group-based loan. The collective debt of group-based loans meant that the social unit of debt was the “committee,” and thus group membership made the defaulting sums breathtakingly large for each participant.

The specter of *morosidad*, then, highlights a tension at the heart of these microcredit antipoverty programs; namely, Fundación Paraguaya’s mission of financial inclusion in formal banking and finance is actually premised on the implicit—though rarely discussed—threat of permanent exclusion. If the loan were not repaid, the staggering debt recorded by Informconf would mean that each borrower would be effectively barred from any formal financial relationships that rely on Informconf data to evaluate creditworthiness, from a cell phone account to an employment contract. Given Informconf’s permeation of the entire Paraguayan market,

morosidad was a horrifying prospect. One credit counselor cautioned her group, “Informconf closes doors, it’s how people blow it (*es como gente se funde*).”

While external surveillance in many cases was a way for women to stabilize claims on wage income and household wealth, to stave off default, external sources of wealth were tapped to forestall repayment problems and avert morosidad. However, by locating those social relations of credit outside the financial relationship recognized by Fundación Paraguaya, the NGO cemented the borrowing group as the primary administrative unit and target of its development priorities and recast those other economic relationships simply as kin or neighborhood ties. The extended network of economic interdependency that was so palpable in the repayment strategies of Bernarda and her borrowing group, and that undergirded and made possible the information that appeared in a credit report, ultimately went unaccounted for in the case of committees of women entrepreneurs because the only criterion for membership was a credit check, which reiterated the ties of joint liability of the group. The reified group stood in for those relationships, even as responsibility was affixed on each woman individually through her personal score and accountability for the full loan. However, groups only rarely imploded; indeed, this only happened a handful of times in the course of my long-term fieldwork, and in those cases because cascading catastrophes had successively torn the group apart. Thus, the remarkable thing about the credit score was not simply its punitive measures but, rather, all of the pragmatic work-arounds that it produced in everyday practice. When I expressed alarm about the potential consequences of collective debt, credit counselors and women borrowers both assured me that things never reached the point of default, and groups always found a way to close out the cycle and then simply walked away, presumably with a clean Informconf record. In 20 months of long-term fieldwork, only a single borrowing group entered into “judicial proceedings” (*proceso judicial*) for defaulting on its collective loan. Both the organization and the borrowers were together quite confident about the resiliency of the system of “social collateral.” While the disciplinary potential of collective debt, which appeared so starkly in the credit score, seemed quite frightening as a thought-experiment for me and for credit counselors warning their clients that “it’s how people blow it,” what was actually most significant about the looming horizon of an inflexible credit score was its effectiveness at producing everyday flexibilities: the frantic scramble to close out the cycle, the multiple “activities” (*actividades*) to pay a quota, and the family resources recruited into payments.

This flexibility stood in marked contrast to the situation of individual clients, who could formalize those ties of mutual obligation in documents that attested to their creditworthiness: guarantor relationships, joint property, business inventory, supplier contracts, and so on, which also showed up in a credit report. For individual microloans, those documented relationships figured as durable qualities of persons, in contrast to the contractual ties of joint responsibility that bound women together as flexible members of a collectivity. Gendered tropes of creditworthiness organized and structured the very mechanics of the financial tool—enacting and embodying the social unit of debt—down to the incorporation of seemingly objective and impartial credit scores. While the dense social ties of women were assumed to be their intrinsic qualities as borrowers, the borrowing practices themselves actually created meaningful differences through the production and management of the “individual” and the “group” as the social unit of debt. The labor of *completando* (completing) illustrates how microcredit lending practices create the very kinds of flexibilities that are attributed to gendered cultural logics in Paraguay.

Refusing to pay another man's bills: Social collateral and "men's committees"

Perhaps the most visible site where gender-regulated creditworthiness could be found was in Fundación Paraguaya's disappointingly short-lived "men's committees" (*comite's de hombres* or, more often, *kuimba'e aty* in Guaraní). Initiated in 2008—two years after the *comite's de mujeres*, or women's committees—the program was diagnosed as a complete failure and was dismantled after just two cycles of its pilot project. When I began working with the Fundación in 2009, the project had already been judged a disaster by the Ciudad del Este branch, and a single loan officer, Josefina, was overseeing the last handful of participants. Josefina explained to me that the men's committee loans were structured similarly to women's committee loans, except that men's committees offered much more individual autonomy for its members. In her words, "It is a solidarity group except that each one [member] is independent" [*Es un grupo solidario pero cada uno es independiente*]. This was familiar rhetoric from the women's committees and, indeed, from the broader emphasis on empowerment and self-responsibility that drove the development programming at Fundación Paraguaya. Credit counselors often emphasized both the element of joint liability and the independent allocation of shares of the women's committee loan to each member. However, the treasurer of the group in women's committees only tracked individual repayment histories, since the group's weekly installment (*cuota*) was due to the Fundación, but the Fundación did not have the administrative capacity to track the individual payment histories of each of the borrowers within the group. By contrast, in the case of men's committees, each member had his own slim green folder in Josefina's file cabinet, and each borrower was responsible for his own loan. The reason why these loans were deemed "committee" loans, however, was that the documents needed to establish creditworthiness were minimal and the group progressed together through cycles of borrowing. As with women's committees, there was a real incentive to pay on time or risk "getting stuck," of not advancing (*estar trabado, no avanzar*), to a higher credit ceiling. Josefina explained that, with men's committees too, the group as a whole could not fall behind on its payments or it would not get to the next level or "cycle" of the loan. Also, as with women's committees, the Fundación relied on men's group members to recruit potential borrowers and thus shoulder the risk and surveillance that might otherwise be the responsibility of the lending institution.¹² Fundación Paraguaya envisioned the "men's committees" as an inroad to reach more potential clients.

However, despite the centrality of "social collateral" in framing "men's committees" and their credit access, committee borrowers were authorized to act independently of one another and of the group in a few key administrative moments throughout the course of the loan. For instance, any one of the men's committee members could bring the whole group's payment on a weekly basis, but Josefina explained that he would also bring the account books (*libretas*) for each member of the group so that each payment could be recorded separately. Women's committees also relied on payment account books to track the payment histories of group members, but the accounting forms were internal to the committee and held no regulatory or contractual weight with the Fundación. Most often, women's committees ran into trouble when a member whose personal payment to the group was up to date (and meticulously recorded in their own account books) complained that her group was considered in default because, collectively, it was behind in payments. The structure of the men's committees obviated this problem by assigning liability on an individual basis.

Other key differences between the men's committees and women's committees reflected different assumptions about the flexibility of borrowers as the basis for credit access. For

instance, men's committees were not obligated to have a 10 percent savings component. For women's committees, the savings requirement served nominally as a cushion for the member's personal or household budget and—perhaps more importantly—also as collateral for the next cycle of lending. One reason why the men's committees lacked a savings component was that the Fundación thought men were more financially stable than most members of committees of women entrepreneurs. When asked by their credit counselors to list their vocation on the credit application forms, many women laughed and replied that their work was “a little bit of everything” (*todo un poco*), to make ends meet. However, the loan applicants for Josefina's men's committee listed their vocations by trade. One worked as a mechanic, two worked in construction, one sold bread for a local bakery, and a final member was a bill collector (*cobrador*). In practice, “men's committees” incorporated important aspects of the consumer credit of “individual microloans” but left out the documentation and asset requirements that would be necessary for a personal line of credit, relying, instead, on self-reported work histories. Finally, the small list of members is itself noteworthy. While women's committees struggled to coordinate the financial lives of 15–25 members, men's committees were permitted to be as small as five to eight members. This meant that men's committees had an ambiguous relationship to Informconf credit scores and morosidad, since the smaller groups meant the joint liability was somewhat attenuated, but small size was also offset by the possibility of larger lines of credit. What is more, after giving a brief orientation and fielding questions from the potential members of a men's committee, Josefina left the organization of the committee almost entirely up to its members. While the credit counselors for women's committees routinely made several trips to organize new borrowing groups and fill out a veritable mountain of paperwork, Josefina parted company with the applicants of the men's committee by suggesting that they organize themselves, fill out the paperwork, and have somebody deliver it to the Fundación. Once the documents were in order, she assured them, the loan would be processed within one or two days. Meetings to establish new women's committees, on the other hand, would routinely take two or more hours and included a walking tour of the neighborhood to confirm that all of the members lived in close proximity. Men's committees were spared much of the monitoring and discipline that was central to the administration of credit for women's committees, primarily because Josefina was used to dealing with individual clients, for whom creditworthiness figured as a personal quality. And since so much of microcredit “social collateral” is about the instrumentalization of borrowers' social relationships through mutual surveillance as well as mutual support, the differential treatment of men's committees is especially telling. Josefina tacitly read creditworthiness through the individual qualities of her borrowers, including earning potential and ability to self-organize.

When I asked several functionaries at the Fundación why the men's committees were so short-lived, the loan officers and credit counselors gave me the same answer: Men always refused to pay somebody else's bills (*cuenta ajena*). In other words, they would refuse to recognize their social ties as collateralizing their loan. While this refusal to recognize social ties was naturalized by the microcredit functionaries as an unfortunate but inherent attribute of Paraguayan men—stemming from machismo—in effect, the special configuration of men's committees already worked to undermine the ties that bound the group together. In other words, the loan itself was only partly collateralized by social ties and relied more heavily on individual income possibilities and repayment records of men's group members, which figured as a feature of borrowers' masculinity. Glossing the failure of the loans as a failure of social ties stemmed from the premise that these were, in fact, solidarity loans, just like the women's committee loans,

and that men's solidarity failed. However, the regulation of men's committees actually undermined their social collateral, even as bank functionaries lamented their failure. Since men's committees did not rely on documented assets as collateral to reify those social connections and attach them to the borrower as a source of creditworthiness, unlike Josefina's other "individual" clients, it seems as though masculinity was doing much of the work of attributing creditworthiness to the borrower.

In administrative practice, part of the reason staff members were cautious about drawing parallels between men's committees and women's committees had much to do with the division of labor within the microcredit office itself. Josefina was a loan officer with professional credentialing in financial services, and she had worked on small business credit since the Ciudad del Este branch had opened in 2006. Josefina thought of herself as a financial professional equipped to evaluate and bank on the creditworthiness of each one of her clients on his or her own terms and so, compared to credit counselors, she was much less attuned to the everyday work-arounds that were produced by the peculiar forms of external discipline at work in women's committees. At stake, then, were forms of gendered professional knowledge within the office and the tacit acknowledgment of the glass ceiling when it came to banking on women's social ties. Staff members' assessment that men's committee members would refuse to pay one another's bills highlights the corollary taken-for-granted assessment: that women would consent to pay one another's bills. At one level, one could read this statement as an observation about gender relations in Paraguay, rearticulating pervasive views about men as independent breadwinners and women as caring and always already social. However, at another level, the Fundación staff members had identified the capacity of their own financial tools to generate different forms of economic joint obligation through the technical, managerial, day-to-day routine of administering these loans. This had important implications for the labor of lending as much as for borrowing and paying. The production of creditworthy subjects and the production of financial instruments went hand in hand and worked to reproduce gender ideologies around domesticity and economic flexibility in Paraguay.

Conclusion: Marked groupness in the gendering of social collateral

Returning to the questions of inequality and credit access that have long been the inspiration and justification for microcredit, I argue that it is important to look at how creditworthiness relies on gendered tropes of economic life above and beyond the asymmetrical distribution of physical assets as collateral, and even beyond how microcredit capitalizes on the gender differences of its borrowers (Roy 2012). Microcredit staff and borrowers understand credit as a mechanism to define, negotiate, and sustain many types of economic interdependency; gender marks and reproduces the link between those forms of joint liability and the making flexible (*flexibilización*) of economic life. In pointing to the feminization of the administrative category of women's committees vis-a-vis individual loans and men's committees, I go beyond analyses of microcredit that draw out the implications of instrumentalizing women's economic obligations (Karim 2011; Keating et al. 2010; Roy 2010). Instead, I draw inspiration from Leslie Salzinger's observation that "understanding that capital makes rather than finds such [feminized] workers, and that gender is implicated in the process, gives us new tools for thinking about how we might challenge the terms under which global production takes place" (2003:2). Salzinger's feminist scholarly commitments are invested in "making visible the connections between the production of subjects and the production of commodities" (2003:2). As with labor in

transnational production, credit instruments and development policy too are organized around gendered tropes in the management of debt, including the very unit of borrowing.

The presence of the group as the social unit of debt was crucial to establishing creditworthiness of committees of women entrepreneurs and also to instituting the management practices that continually dramatized group cohesion. For committees, the relationships of economic interdependency that undergirded the solvency of the group and its capacity to repay the solidarity loan were always located outside the group itself, including in the broader context of neighborhood life and kin circles in Ciudad del Este. By contrast, for individual borrowers, relationships of economic interdependency that established creditworthiness were considered attributes or qualities that were attached to borrowers as personal properties of the unmarked “client.” The failed men’s committees show that masculinity was implicated in the link between borrowers and the economic relationships that made them creditworthy. In administrative terms, through the many documents collated to bolster credibility, individual borrowers stood in for and encompassed those modes of interdependency. Membership in a committee was markedly different. Instead of social relations being recognized as personal attributes that could be concretized in documents, for committees, social relations were recognized as structural bonds that grounded the social whole and encompassed various individuated parts.

Fundación Paraguaya recognized two different features of interdependency at work in creditworthiness: positive relations of solidarity and punitive relations based on joint liability. For individual “clients,” it valorized both categories of interdependency, whereas for committees of women entrepreneurs, it only recognized the latter. This is immensely important, because drawing and stabilizing the line between enabling and debilitating forms of shared economic obligation had material consequences for microcredit borrowers, from effects on credit scores to missing work to attend microcredit meetings to “completing” payments. For committees, the group qua group exhibited the only bonds that counted: the bonds of joint responsibility that linked all of the individual members to one another.

Importantly, at the heart of social collateral is an economy of gender—from a glass ceiling in financial work to men’s committees to “completing” payments—that creates certain forms of economic agency. By enlivening and theorizing economic obligation in a context where it seems most natural, I consider the social unit of debt to rethink the anthropological project of reembedding commercial capitalism in its social context, as it risks overlooking how the seemingly obvious embeddedness of women is produced and its consequences. At stake is a cultural politics of interdependency that binds borrowers and lenders, financial technologies, and Paraguayan development in ways that structure global inequality and opportunity.

Notes

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1. A long tradition in economic anthropology paves the way for this type of analysis. I follow Annette Weiner (1976) and Nancy Munn (1986) in documenting how value, and its reproduction, is inextricably linked to formations of gender, especially the invisibility of women's labor and wealth in generating value through exchange networks.
2. For an analysis of gender and labor in the context of neoliberal development interventions aimed at crafting the entrepreneurial self, see DeHart 2010 and Bedford 2007.
3. All translations from Spanish and Guarani are mine unless otherwise noted.
4. The aftermath of the war also heightened the class inflections of social reproduction, since the European liberal model of appropriate femininity served as a powerful way for elite women to differentiate themselves from the so-called popular classes, even as both (i.e., elites and *kygua vera*, women of the pueblo) had enlisted in the national struggle during the war.
5. In the informal sector, income generated from small and microenterprises tends to be very low: 16.4 percent of workers in small businesses and 41.3 percent in microenterprises earn income that puts them below the national poverty line (Geoghegan 2008:79).
6. On gender ideology and labor discipline—especially the assumption of women as “nimble” and “docile” that also structured labor practice in Mexican maquiladoras—see Salzinger 2003 and Wright 2006.
7. Individual loans were made over 12 months and had an annual interest rate of 33 percent. Group loans were repaid over 12 to 14-week cycles and carried an interest rate of 10 percent per cycle. In effect, this was an annual percentage rate of about 34 percent, since the loan was amortized quarterly. Although the rates might seem quite high compared to consumer credit rates in the United States, they were actually in line with (and, if anything, lower than) those charged by finance companies (*financieras*) in Paraguay. In a comparatively small credit market still recovering from a banking crisis in 1994 (Schuster 2012), the interest rates for microfinance were not unusual.
8. I have changed all names unless otherwise noted.
9. For more information about the Kiva International program, which pairs individual investors with partner organizations around the world, see their website (<http://www.kiva.org>) as well as recent scholarly material discussing Kiva lending (Black 2009; Moodie 2013; Roy 2012).

10. During my long-term fieldwork in Ciudad del Este, I experimented with an “economic diaries” project (cf. Collins et al. 2009) with some of my closest research contacts in women’s borrowing groups. After a long series of frustrations on both sides, we realized that women most commonly accounted for daily economic life in terms of payments (Maurer 2012) rather than exchanges. Women measured what they owed in a week or a month for a variety of bills and debts (*cuentas*), rather than tracking daily expenditures.
11. For a comparison to *morosidad* in Chilean credit scores, and their link to social and economic inequality, see Han 2011.
12. The ability of microcredit groups to solve “information problems” in banking services has long been a central tenet of microfinance. The alienation of banking surveillance and risk downward to the clients had been conceptualized by Muhammed Yunus and the Grameen Bank group as a way of solving an issue that had long prevented conventional banks from lending to the poor. Namely, conventional banks were not equipped to measure the fitness of poor people as borrowers, which justified exclusionary lending practices. Microcredit members were reconceptualized as a resource, since their local knowledge of prospective borrowers was put in service of determining creditworthiness. Borrowers also bore the risk of making poor decisions (since they would be responsible for the loans of unreliable payers).

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