

Debt, Trust, and Reputation

Starting in the late nineteenth century, colonial rule in India took an active interest in regulating financial markets beyond the bridgeheads of European capital in intercontinental trade. Regulatory efforts were part of a modernizing project seeking to produce alignments between British and Indian business procedures, and to create the financial basis for the incipient industrialization in India. For vast sections of Indian society, however, they pushed credit–debt relations into the realm of extra-legality, while the new, regulated agents of finance remained incapable of serving – and equally unwilling to serve – their needs.

Combining historical and ethnographic approaches, the book questions underlying assumptions of modernization in finance that continue to prevail in postcolonial India. It delineates the socioeconomic responses produced, and studies the reputational economies of debt that characterize the extra-legal markets that have emerged in consequence. Deeply embedded into communication flows on trust and reputation, these extra-legal markets turned out to be significantly more exploitative than their colonial predecessors.

Sebastian Schwecke writes on South Asian history, economy, and society, combining a broad spectrum of disciplines. His recent works include the co-edited *Rethinking Markets in Modern India: Embedded Exchange and Contested Jurisdiction* (Cambridge University Press, 2020). He is the founding director of the Max Weber Forum for South Asian Studies, Delhi.

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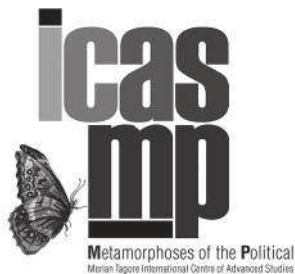
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Debt, Trust, and Reputation

*Extra-legal Finance in
Northern India*

Sebastian Schwecke



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For Michaela

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Abbreviations

BHU	Banaras Hindu University
CCUP	<i>Report of the Co-operative Committee of the United Provinces of Agra and Oudh</i>
BoB	Bank of Benares
ICS	Indian Civil Service
RBI	Reserve Bank of India
ROSCA	rotating savings and credit association
SBB	State Bank of Banaras
SHG	self-help group
UPBEC	United Provinces Banking Enquiry Committee
UPBECR	<i>United Provinces Banking Enquiry Committee Report</i>