The moral performativity of credit and debt in the slums of Buenos Aires

Abstract:

Classic works in anthropology and sociology have essentialized formal capitalist credit and their alternative forms, be they community-based or informal. The financiarization of everyday life has produced the return to this one-sided narratives. My aim in this article is to show how the moral dimension of financial practices does not represent the flip side of capitalist institutions. The economization of morality is a transaction that takes place not only along the margins but also at the heart of financial practices. A moral sociology of money becomes increasingly necessary as the financialization of the everyday life develops.

I use ethnographic data that I collected between 2006 and 2011 during my fieldwork in the slums of Buenos Aires. I attempted to understand the growing role and the multiple forms of credit and debt in the economy of the poor. My ethnographic reconstruction is guided by a conceptual foundation that allows for an anti-essentialist interpretation of the moral dimension of credit and debt. In this article I propose considering the concept of moral capital as a kind of guarantee together with other kinds of capital such as economic or legal capital.

My argument seeks to de-essentialize the opposition between informal and community-based systems and the so-called capitalist systems, revealing their continuity through the rules that must be complied with in order to accumulate moral capital as a way to access credit and pay off debts. The hypothesis that moral capital multiplies economic capital suggests that there are differentiations and inequalities that not only regulate borrowers but also allow them to be distinguished individually.

The financialization of the economy is translated into a space for moral distinction that provides an outline for a new topography of the moral antagonism in the economic life.

Key words: Financialization; Moral Sociology; Credit; Debt; Lower classes; Latin America.

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Introduction

Mary, a fifty-eight-year-old woman, lives in Villa Olimpia, a shantytown located in La Matanza, west of the capital city in Greater Buenos Aires[2]. Her current home is sturdier than her previous one but still has dozens of problems**,** such as the lack of running water or sewers and a roof that doesn't keep out leaks. After living with her children in a single room at her brother's house, she began to believe that she might actually own a home of her own someday. But it turned out to be more difficult than she had expected. To buy the lot, Mary asked her younger brother for help. That debt would become a painful memory since she was never able to pay it back. Twenty years later, she cannot bear it when her relatives bring up the subject. She feels that her troubles are due to the difficulties she has faced as a poor immigrant, a woman, and a single mother.

Every night before going to bed, Mary spends some time at the kitchen table adding and subtracting. These tiny equations are at the center of a deep but almost impossible desire to balance a budget that always comes up short. Mary tries to come up with new sources of income. She considers going to La Salada[3] to buy clothes at low prices and then resell them on credit. Many locals of Villa Olimpia wouldn't even think of travelling to the enormous street market that extends along the bank of El Riachuelo, the most polluted river in the area. But Mary is making use of a business model chosen by other women like her, earning money by selling clothes on credit and become a middle woman between consumers and the vendors at street markets.

Mary also imagines ways to supplement her incomes by expanding her weekend sales of food and beverages on the soccer field, the hottest spot and busiest time in the

[2] Todos los nombres de lugares y personas son ficticios.

[3] At this enormous street market, thousands of people sell knock-off brand names and other counterfeit products in the municipality of Ingeniero Bunge.

shantytown. Mary continues to plan. Next summer she intends to buy a new fridge. She already has a plan to ask a close friend with a credit card from a home appliance store to purchase the fridge for her. Mary will then make the monthly installments. This Paraguayan immigrant hasn't asked a close friend for this kind of favor in some time, though it has become a customary practice among most of the families in Villa Olimpia.

While Mary yearned to buy a new fridge with her friend's credit card, her children were buying new clothes and tennis shoes with charge cards from local department stores. Some of her neighbors were making payments on personal loans they had obtained at one of the many loan agencies that had opened up near Villa Olimpia over the past few years. Many residents were purchasing furniture or home appliances in installments, with payback conditions that took into account their ability to make the payments. Everyone was taking advantage of the new opportunities for the poor to make retail purchases and take out loans.

It would be hard to describe Mary and her family's everyday life without explaining her relationship to credit and debt. How can her suffering, concerns, dreams and hopes be understood without it? By excluding credit and debt from this narrative, a portion of Mary's inner world would be relegated and silenced. At the social level, excluding credit and debt would also create important questions. How could the story of the neighborhood's economy be told, along with its relationship to street markets or chain stores? These questions reveal that credit and debt is critical not only to comprehending Mary's moods and affections, but also because it connects her individual experience to broader dynamics in the social and economic realm. Mary and her family are evidence of this article's main argument: that credit and debt play a central role in the personal and social lives of low-income sectors.

This is not a new argument. Scholars in historiography (Fointaine 2008), sociology (Captlovitz 1967), and anthropology (Lomnitz 1977) have proposed it in the past. However, the financialization of everyday life (Langley 2008) adds new questions to this hypothesis. The rules of capitalism that fostered a liberalization of finances (Chesnais 2004) have made individual incomes into a significant source of revenue. As government spending in areas such as housing, health, education and social security diminishes, the access to material goods requires participation on financial markets. One of the features of this process has been an expanded offering of consumer credit (Guseva 2008), imposing new conditions on credit, debt and the central role they play in the economy of the poor.

As a result of this process, there has been a return to one-sided narratives of capitalist credit and the posited alternatives. As the economist Costas Lapavitzas noted in absolute terms, “The capitalist credit system is a set of institutional mechanisms focused on a formal mechanism of measuring trust. Since trust is objective and social, the moral force in capitalist credit is weak,” (Lapavitzas 2007, p. 418). On the other hand, the defenders of micro-credits claim that such credits add a new ethical dimension to the economy (Schuster 2012). There is nothing new about these one-sided narratives. Classic works in anthropology and sociology have essentialized formal capitalist loans and their alternative forms, be they community-based (Geertz 1962) or informal (Captlovitz 1967).

Bill Maurer (2012) has posited that finances always involve alternatives with regard to how we imagine them (abstract, impersonal, disembedded). I follow this argument when exploring the financialization of the popular economy. I wish to highlight the pluralist nature of the credit and debt systems in which people are immersed in their everyday lives, while also revealing the continuity of these systems over time.

In this article, I reconstruct some of the informal and community-based types of credit and debt in order to then discuss those which have now become dominant (formal credit institutions). To contribute to current discussions about the moral dimension of credit and debt in everyday life (Peebles 2010, Graeber 2011, Gregory 2012), in this article I propose considering the concept of moral capital as a kind of guarantee together with other kinds of capital such as economic or legal capital. This approach aims to provide an empirical and theoretical basis for the moral ubiquity of finances beyond the essentialist narratives.

I use ethnographic data that I collected between 2006 and 2011 during my fieldwork in the slums of Buenos Aires. I attempted to understand the growing role and the multiple forms of credit and debt in the economy of the poor. What are the moral disputes that determine who can receive credit and under which conditions? How do debts affect moral judgment? I answer those questions through myriad situations observed during four years of field research, including *fiado*, which connects merchants with the inhabitants of poor neighborhoods; rotating credit groups; money lent from one family member to another; the use of credit cards; the payment in installments directly to retailers; and the credits offered by financial agencies.

A moral sociology of money and credit

The crucial defining feature of credit is its ability to link the present to the future (Peebles 2010, p.226). Uncertainty is at the core of the relationship that is established by lending: will the debtors return the money to the lenders? (Bourdieu 1990, Carruthers and Ariovich 2010). This bond must produce a guarantees the return of the lent money in the future.

This paper is part of a comparative research program of the sociology of credit. This program has been articulated around the concept of *kinds of guarantee* that debtors must prove to lenders. This could be mutiple (legal, economic, moral) and play a crucial role in the organization of credit relationships. The interaction between creditors and borrowers and credit scoring technologies can be analyzed from them. In this paper I explorer how the moral capital works as kind of guarantees.

Towards the end of Pierre Bourdieu's career, the concept of symbolic capital had become a research platform to examine the kind of values that convey power in social life. This platform reveals the multiplication of different kinds of symbolic capital. The moral capital concept is part of that program. People are constantly measuring, comparing and evaluating their moral virtues because recognizing these virtues constitutes a very specific kind of power.

In keeping with Viviana Zelizer (1994), this article considers the significant connection between moral and money. The moral sociology of money I introduce here analyzes how money does or does not circulate, in conjunction with the testing of moral virtues and the struggle to accumulate moral capital. People can be good for the money; they can be loyal, respectable, generous and hard-working; or the can be disloyal, unreliable, greedy, and lazy. These are only some of the classifications gathered during my research on the moral judgments that people impose on others.

If the success of the credit relationship depends on reducing uncertainty and anticipating the risks of not getting paid back (Knight 1921), the notion of moral capital shows how uncertainty is reduced through the moral assessments of the borrowers.

Desde esta perspectiva, se podrá considerar que las "equipamientos" de los agentes de mercado no son solo cognitivos ni performados unicamente por las teorías economicas (Callon 1998). La noción de capital moral puede captar a los agentes demandantes de credito enrredados en obligaciones y busquedas de reconocimientos morales. Ayuda a pensarlos desde la performatividad moral que los formatea para participar en los intercambios de afuera y dentro del mercado.

Moral capital in community and informal finances

Mary's oldest daughter Sandra and her husband Daniel needed thirty-five hundred pesos to move to a new house in Villa Olimpia. She asked her uncle Jorge to lend her the money. They reached an agreement with Sandra's uncle to wait until they had saved up the full amount of the debt before repaying him. However, the payback time turned out to be much quicker than originally agreed—and more violent as well.

Two weeks after Sandra's uncle had lent them the money, the family got together to celebrate the birthday of one of Mary's other daughters. The dinner ended at around midnight. Mary was cleaning up the kitchen with her daughters and daughters-in-law when she heard a loud argument coming from the patio, where the family was playing cards.

The card game had been interrupted.

"Quit cheating."

"Who're you calling a cheater? You're the cheater and you always have been."

Jorge was shouting above the others. He was the one who had started the argument, and the more the other men tried to calm him down, the more he shouted and spewed insults. In just a few seconds, he had taken the deck of cards and tossed it in the faces of his opponents.

Sandra's husband had remained aloof, not wanting to get involved. But he couldn't hold back when he saw the cards thrown in his wife's face. He challenged Jorge.

"Come out onto the street and fight like a man, instead of going after a woman."

"What's your problem? Everyone knows you're a deadbeat."

His words pushed Daniel over the edge; he left the house and headed home for his gun. Sandra saw that look in his eye and ran after him. She rushed inside their new house, followed by her siblings. While they all tried to stop Daniel from going outside with the gun, Uncle Jorge, drunk, came up to the house shouting, "I want my money. You're never going to pay me back because you're a deadbeat."

Sandra remembers this dramatic situation all too well. It went on for hours. Her uncle was saying that they would never return this credit; he had humiliated them before their relatives and neighbors. The long night ended at around four o'clock the next morning; several of Sandra's siblings and Daniel managed to come up with the $3,500 pesos.

With the money in hand, they went to the uncle's house. They counted out the money and handed it over. They never spoke to him again.

The scene between Sandra's husband and uncle dramatizes moral capital as a kind of guarantee. The uncle toyed with the uncertainty implicit in the return of the loan and the humiliation he inflicted was a public expression of his doubt. "You're never going to pay me back because you're a deadbeat," he announced to the whole family. Not returning the credit would have given Sandra's husband a memory that he could not bear. He weighed two different options—shooting his gun or taking out another loan—and opted for the second.

The use of violence as an alternative response to the public affront of being accused of not paying a debt reveals the emotional and economic cost of this accusation. In an economy of credit and debt based on interpersonal relations, the stigma of not repaying a debt is so strong that the possibility of using a weapon arises as a way to avoid potential economic and moral exclusion.

These histories of community-based and informal systems of credit and debt that I unraveled during my fieldwork are variations of a simple yet crucial formula: preserving moral capital is a privileged way of accessing loans. Maintaining moral judgments over time make creditors better at anticipating what borrowers will do. At the same time, the borrowers are more likely to maintain the moral capital as it is the only guarantee they have to offer those who give them a loan.

I wish to explore this formula in three established credit systems in the everyday economic life of Villa Olimpia.

Informal Credits Groups

Rotating credits groups (ROSCA) has been one of the systems of informal credit among the poor that have received most attention from scholars. They have also been one of the most essentialized (Geertz 1962). Members of a ROSCA, usually numbering 10 to 30, come together monthly or weekly to make a contribution to a common fund, which is lent in turn to each member until all members have received the fund.

In her broad experience in "the circles", as the ROSCA system in Villa Olimpia was called, Mirta had invested the money in her grocery store, purchasing merchandise and doing renovations. The last time I met with her, she was participating in two circles at the same time. Each circle had its own system based on the number of members and the amount required to join the circle. Twelve people (including neighbors and relatives) participated in the first circle, each contributing one hundred pesos per month and getting two hundred in return. Mirta wanted to use this amount to buy an awning for her shop so that customers could stay dry when it rained and thus keep up sales in bad weather. The other circle she was in had twenty members, each contributing fifty pesos per week.

Formed around stable social bonds (blood relatives, neighbors, or friends), these credit groups were organized around members’ ability to pay; generally, others knew who earned enough to make the installments. However, other judgments played a perhaps more decisive role in establishing the solvency of circle participants, particularly the estimate of one’s moral capital.

The first person who had to prove their moral and economic solvency was the one who put together the circle. Circles produce a social enclosure marked by criteria of one’s moral value. Being known for the virtues in question was the only way in. The money of the organization could not circulate without the acknowledgment of these virtues as the personal attributes of those who formed part of the group, who had to be reliable, honest and responsible.

“If you don’t have a job but we know you’re a hard worker, that is, you're out of a job not because you don't want to work but because something has happened (an accident or something), we'll support you,” explains Mirta. “Maybe you know someone who chips in for you and later you pay them back… That money has to be there. We know everyone’s situation.”

She was critical of others for the same reason. “And since we all know each other here, if someone doesn’t chip in with their share, we blacklist them. My brother-in-law invited us to join a circle that cost two hundred pesos per month. We couldn’t join because that was a lot of money. So I told him, ‘Tell me who they are and I’ll tell you whether or not they’re swindlers.’ And I found out about one of them. ‘Don’t get involved there,’ I told him, ‘Because that guy had a problem in another circle. We've been doing this for years. Be careful because you are responsible.’”

Even if she had had the 200 pesos, Mirta would not have joined that circle, because the assessment of other participants was a key part of deciding whether to join: she knew that one of the people in the circle had never paid.

When Mirta mentioned that you got to know people better in the circles, she pointed out how close ties could be put to the test through the circulation of money. Blacklisting a person who didn’t fulfill his obligations in one of the circles showed how personal relationships could be ruined as a result.

For this reason, seasoned circle members insisted on being committed to paying by the stipulated deadline and never falling into debt.

“No matter what happens, even if someone dies… It doesn’t matter: you have to chip in, as if you were buying something. You chipped in for me, I’m chipping in for you,” says Mirta.

Circles have their own procedures for testing those whose moral capital is in the red.

“If you don’t trust someone, you put them last on the list. If you give [the money] to them at the beginning, you might get screwed later. We told one boy, 'If you want to do things right, we’ll put you last on the list and you can recover your credit, you can change.' And now he’s working hard—he wants to put things right. By accepting the last spot, he is setting an example as someone who fulfills his responsibilities,” explains Mirta.

The need to approve how the money would be used lies at the core of the opinions and feelings about credit and debt within the circle.

Mirta recalls one case with a negative outcome: “Some neighbors said they needed the money to make a trip to visit a sick relative, but then they used it to go on vacation. We found out and asked them, ‘Why did you lie to us?’ They were too ashamed to admit the money was for a vacation.”

Using the circle's money for vacation was seen as wasteful, thus placing that participant at a disadvantage within the circle.

Fiado

Fiado or selling on credit is a firmly rooted practice among local merchants and residents. The daily purchase of goods on credit, especially food, is critical to economies where cash is lacking and banking systems are underdeveloped (Hogart 1957, Villareal 2000). When Marga and I spoke about *fiado*, she became visibly upset. She spoke of the *clavos* (customers who never pay what they owe) and made reference to a past whose effects stretch into the present. Marga kept notebooks where she wrote down the loans; these were her receipts. Once I offered to organize them for her. She responded dryly, “I don’t need them organized—I need them to be paid.”

These notations gave Marga’s sense of being swindled an objective nature. “I help them out and they don’t thank me. When my children ask me how we managed to eat when we were hungry, I say, ‘By working.’ What do these people say [to their children]? ‘We bought on credit and never paid it back.’?

Leticia lives close to Marga’s house. She also runs a grocery store from the front of her home. In the transactions with customers who bought on credit, Leticia attempted to make sense of this postponed payment. “Some think *fiado* is a [merchant’s] obligation but I make it clear that it is a favor.” This negotiation thus required some maneuvering in order to classify those who would be granted this “favor.” Recalling one situation with a neighbor, Leticia said, “You know why I decided not to let this guy buy on credit? Because he drinks. I see his children and boy, do you feel sorry for them! This guy only uses his money for liquor."

Leticia's story reveals how emotions and moral judgments come into play in the distribution of credit; both are criteria used to classify the moral capital of her clients.

> *Dolly who lives across the street has a job. She came in and told me she was having some trouble and couldn't pay me right away, but that she'd pay me back as soon as she could. Then there is this guy. I know he has a job at a metalwork factory because I see him leave for work early in the morning with his uniform on. He plays dumb and doesn't come by any more even though he knows he owes me. As if that weren't enough, he shops at the other grocery. So you come in here and buy on credit and then go pay cash for your purchases there. That's not right. Plus, he wasn't even buying food--it was beer and wine. So you shop at my grocery because you can buy on credit! At the same time, fiado is a way of looking out for your business, because there is competition too. This guy has a job, his wife has a job, and he goes and buys on credit there. Maybe I'll tell the woman who owns the other grocery store. He owes me a hundred pesos and now they are both working. I am going to say something. It's not like Dolly, who knew she couldn't pay you back and told you so--in that case, you wait a little longer. Another guy came in and asked to by on credit, but I had heard he hadn't been paying back his debts. I was told by another man who has a store. So I told him no.*

These retail transactions take place on a terrain of judgments and opinions that serve as the basis for the moral capital of *fiado*. Through this capital, limitations are placed on people's requests for money. Leticia was not able to ask for payback from a man who was going through a traumatic event (the illness of a child). The payment of this debt was experienced as the ideal end to the *fiado* system. The vendor is able to act like the money doesn't matter, while at the same time the repayment of the debt becomes an exemplary act that allows other customers to be evaluated. Leticia viewed both this man and Dolly, who asked for more time because of problems at work, in a positive light. In contrast, the metalwork factory employee accumulated several moral disadvantages according to the emotions and moral judgments of *fiado*: his debt was not forgiven, since both he and his wife had jobs (according to neighborhood standards, being a factory worker is a good job: it is stable and pays well). In addition, the products he bought on credit could not be justified. Liquor was sanctioned by moral arguments. Finally, this man had broken the rule by which vendors created loyalty through *fiado*: he purchased products at another grocery store and paid cash for them.

From the point of view of the *fiado* credit system, this client's moral capital is in the red. The stories about customers circulate among merchants in a way that allows for general consensus, and being considered "in the red" leaves these people out of everyday lending.

The informal credit system

During the fieldwork conducted in the neighborhood, the name of one store appeared over and over again: Obrihogar. Even in casual conversations, the interviewees mentioned a home appliance purchased on some type of credit at Obrihogar. The relations with this store, which had been in San Justo since the 1960s, went back years, when one of the owners visited Villa Olimpia to offer the store's products in installments. This practice laid the foundation for the residents to purchase at Obrihogar using informal financing. "We go where [major home appliance chain] Frávega doesn't go," said Omar when asked what distinguished his shop from its competitors. He was not speaking of the physical distance [Obrihogar is located just a few steps away Frávega] but of the symbolic distance, since Frávega is not going to provide credit to low-income customers who have no formal backing for loans.

Frávega will go no further than the low-income customer who can provide a payroll stub. In contrast, Obrihogar offers its customers a triple incentive: a less hostile retail space ("Just imagine—people come in here in their work clothes. How do you think they feel at Frávega when the employees come over to them in uniform?"); credit even without documentation; and comprehension when customers fall behind on installments.

This description of one of Obrihogar's owners legitimizes the store's role in the field of retail while shedding light on how credit helps the store to stay afloat. Belonging to the neighborhood is an incredibly important resource when it comes to believing that the borrower will pay back what he/she owes and is trustworthy. "Villa Olimpia residents pay what they owe," said the owner of Obrihogar. "But those who live in Villega de Santos Vega (another shantytown in La Matanza) are not as likely to pay."

Sustaining this moral judgment means thinking about a social network that allows Villa Olimpia inhabitants to purchase on account at Obrihogar. This network limits the actions of residents with regards to their commitment to the store, as the discredit of not paying back a debt could jeopardize Villa Olimpia's status as a neighborhood that pays its debts. Given that existing customers introduce new customers and serve as guarantors, the social network acts as a filter, maintaining the credit rating that the neighborhood has earned at the store. Not all residents access this guaranteed introduction—only those who meet the prerequisites.

The credit relations between Obrihogar and the Villa Olimpia inhabitants can be interpreted by the way certain stores have positioned themselves. Some of these stores have worked to form bonds with the poor and offer them some type of financing. At the same time, however, this offer is configured within each individual story of customer relations, framing different possibilities for the development of credit instruments.

Depending on the size, economic volume and type of customer at each store, these stores have been able to compete with major retail chains using a guarantee known as moral capital. This concept comprehends the dynamics of differentiation in the field of credit (major chains versus small businesses) as well as the unequal conditions for accessing financial instruments among the most relegated social sectors.

This inequality appears when reconstructing the social history of retail stores and revealing the social fabric upon which the positive and negative opinions of those who borrow are based. The study of the commercial configuration among Villa Olimpia residents and the store Obrihogar shows how the virtuous circle of trust can work. The concept of moral capital, in short, sheds light on both the dynamic of inequality in accessing credit while revealing its capacity to multiply economic capital.

The financialization of moral capital

If the practices that have been defined as alternative can assume the features of the dominant financial practices, the opposite can also occur: dominant practices can take on the features of the alternative finances (Maurer 2012). In this section, my aim is to show how the moral dimension of financial practices does not represent the flip side of capitalist institutions. The economization of morality (Çalışkan and Callon 2009) is a transaction that takes place not only along the margins but also at the heart of financial practices.

The development of technologies for evaluating borrowers shows a trend towards objective, quantifiable methods like scoring or rating systems (Marron 2007). Esta narrativa, sin embargo, no capta la ubicuidad moral en los sistemas de credito. A traves de la noción de capital moral se podrá ensayar una narración que capte las intersecciones, superposiciones y enrredos de los sistemas de credito y sus técnologías de evaluación. I am going to put this interpretation to work by applying it to two different cases: the expansion of the credit card market and the strategies of banks with low-income customers.

Credit cards, debts and moral capital

A study that we conducted on the uses of credit cards among low-income sectors indicated that around 40% had access to credit cards (Wilkis 2013). An important question arises from this statistic: how can we explain the use of formal credit instruments among those who do not participate in the banking system?[4]

The lending of credit cards has become a common practice of reciprocity and exchange. The family members who have the documentation required to apply for a loan and can help other family members play an important role; credit cards circulate among relatives, friends and acquaintances; interpersonal ties pave the way towards formal credit instruments. José Ossandon (2012) calls this logic the “quota economy”: members of the household distribute the portion of money that can be spent on credit cards. The extension of the credit card market consolidates the importance of personal ties with those who can access credit instruments. On the credit market, strong ties are critical because they form the basis for an economic transaction based on moral capital.

[4] According to information provided by Argentina’s Central Bank, only 31% of the people who live in precarious neighborhoods are bank customers.

The lending of credit cards is one of the high expectations associated with this role, a role which family members adopt by offering others economic assistance.

Moral capital is not just a guarantee for the circulation of credit cards; it is also critical for weathering the debts that the use of these cards generates.

The household budgets provide a view of the heterogeneous systems of credit at work in household economies. The relationship between incomes and expenditures indicate the dependence on debt that stems from this plurality.

The credit story of the Perez family illustrates this point. It all began when the male household head, who worked at a butcher's, became formally employed. In the past, every time the family had needed to finance a purchase, the head of the household would ask his boss to be his guarantor at local shops so the family could purchase certain goods in installments. The household head also had a charge card from a sports good store, a card he had obtained by merely presenting his identification. Once his job situation was formalized, however, he was able to access different charge cards.

His wife, who had become a beneficiary of a welfare program, was now also able to get her own charge card; at the time of the interview, the couple had three cards. This addition of credit cards was seen as an expansion of their ability to accumulate goods. At the same time, it added constant debt to the household budget. Credit offered the couple an alternative to a lack of cash, a response to their inability to save: "We don't have savings but we do have debt," as Maria would say.

For this reason, the fact that debt allowed them to consume more was viewed as both an opportunity and as a threat. "You can live on the *chapitas* [cards] but you can't breathe," explained Maria. "You never get out of debt. But it's the only way to live well, to have everything you need. I mean, what would I do during the holidays? I don't have a dime and I have to feed the kids. So what gets me by? The card. I go out and buy food or whatever else I need."

This interpretation can be seen objectively in the budget of the Perez family. When the totals had been tallied, debt represented 41% of their income. The expansion of credit alters the frames of calculation (Callon 1998) because its instruments are presented as the only way to consume. This criterion blurs the fact that consumers end up spending far more for anything bought on credit, with prices reaching up to double the good's original value.

Debt is managed and incorporated as part of household budgets. It is assumed as a constant and the calculations are based on the exposition to higher prices that comes with credit. Since the household budget is immersed in debt, families work to keep their budgets from becoming unsustainable. In the case of Family Perez this was achieved by keeping all installments to a minimum, calculating the maximum price increase and the extension of the payback time, in order to then take out new loans.

"I pay my bills and then I see how much money I've got left over. That's how I get by," was a phrase heard over and over again during the interviews. It was indicative of the role that loan and credit payments play in the money calculations of household economies. "I finish paying off one loan and take out another," said one woman interviewed, when asked to describe the dynamic of debt in the structure of her personal economy. Another woman said, "We are always looking to see what loan to take out and who we owe what." This concern was predominant among all those interviewed and it appears as a critical aspect of the economic management of households. According to yet another woman, "We are never satisfied with what we have. As soon as we've bought something, we already want something else. We are always going to be *encuentado* (A slang term for running up the tab). Without the bills, you've got nothing. We can't pay cash."

Being up to one's neck in bills means assuming the predominant position of debt in the family's economy. Relief only comes when a financial balance is achieved. "I've got no worries because I paid my bills," as one interviewee put it. Debt imposes its own rhythm on the circulation of money within the family. Debt is socialized at the family level, involving all of its members either directly or indirectly.

Así como el consumo no puede ser considerado un acto individual sino organizado muy a menudo como parte de las obligaciones de la familia (Miller 1998), the families socialize also the obligation to pay the debts. People make arguments, talk, do the numbers and acquire expert knowledge that allows them to move within the credit universe in order to make purchases. They also use economic strategies in order to contend with the threat and the reality of over-indebtedness.

Members of the families practice a kind of self-discipline that is both technical as well as moral. According to Paul Langley (2008), this is a new subjectivity that combines the handling of calculations through the knowledge of credit technologies and a notion of responsibility in the face of the risk that accumulating debt involves.

"Credit cards are the only way for us to live well." The people surveyed shared this adage, along with the virtue of caring for money in order to be able to access retail purchases. Credit was the condition for accessing a good life through the financialization of purchases. From this perspective, the preservation of moral capital is more directed towards certain family members. The circulation of lent money thus brings with it an ethos of responsibility. Families think about credit and are aware of it every single day; debts are their path towards consumption. Leaving credit behind means abandoning the road towards a better life. Once they are immersed in this economic and moral dynamic, individuals emphasize how seriously they take payback as a virtue. The financialized economic struggle imposes the moral value of this (self) recognition.

The poor's bank

"Another thing we consider is people's quality of life, no matter how poor they are. You can live in a shanty or in a house built from cardboard but still keep things neat. That says a lot about someone, about how responsible they are," explains Mario.

Mario is not a Catholic volunteer or a social worker who visits the slums. He is an employee at Elektra, a credit agency and home appliance sales company that is a subsidiary of Banco Azteca, a member of the powerful Mexican economic group Salinas. Mario does not work at a soup kitchen or provide social assistance; instead, he evaluates whether to give credit so someone can purchase a home appliance. His assessment is not done on forms in an impersonal office but instead at the home of the person requesting the credit, where he is able to assess little details of the applicant's life, intimacy and virtues.

Banco Azteca was founded in 2002 in Mexico, where the bank has 1,500 branches and 15 million customers. Branches were opened in other countries of Latin America like Brazil, Peru, Guatemala, Honduras and Panama. The bank has operated in Argentina since 2007. Unlike large banks with branches in downtown Buenos Aires, the first branch of this financial institution which is backed by Azteca and operates in conjunction with the appliance store Elektra, opened in the low-income neighborhood of Laferrere. It now has another thirty branches. In order to adapt to a small economy, it offers loans that can be paid back in weekly installments. At the stores, instead of showing prices, signs show the number of installments with interest rates that range between 60% and 110%. The agencies also offer cash loans and money transfers.

"It's important to see how friendly people are, because we have to be able to enter their house. This is one of the barriers we have to overcome: making people trust us enough to let us in. There are people who leave you standing in the living room and you have to use your arm to write on. Then there are others who invite you to sit down, offer you a glass of juice or water."

Mario sees people who care and other people who overlook certain basics. "That also lets you know how people really are—being polite, no matter how poor. You can sound out what these people are like and in general, these are people who meet their obligations."

One of the features of credit approval is having trained personnel visit the homes of the applicants to assess their environment. The main purpose of these visits is to establish a personal bond with the applicant, conduct a moral evaluation and get an idea of their private life.

This company combines different guarantees (economic, legal and moral) and organizes them from most to least important. It has constructed a market niche by selecting customers with few legal or economic guarantees but strong moral ones. Financing agencies such as Elektra explicitly and formally offer their loans based on this guarantee which we have referred to here as moral capital; in other words, they make the recognition of moral virtues into standardized procedures. Moral capital thus is located within capitalist finances—not on the fringes.

Elektra's representative Mario describes a typical customer as follows: "They generally work in construction or as maids or seamstresses. They are part of the informal economy."

“How much money does the company lend someone?”

“Between five hundred and two thousand pesos if they don’t have a way to verify their income. If they can verify their income, up to three thousand five hundred. Yesterday I saw a fellow who sells sausage sandwiches. He wants to clean up his cart, make it look nicer, and two thousand pesos is plenty for him. At the same time, that’s the perfect amount for us to lend, knowing he will be able to pay us back. Most are cases like his.”

Mario visits the homes of the applicants and his descriptions reveal the structural truth of moral capital as a guarantee, this method for building value and measuring people that only some agents can show and others judge. Moral capital sheds light on the forces at work within the thoughts and feelings associated with credit. Now Mario describes his ideal client:

“He doesn’t get a payroll stub. He does any old job and gets paid on a daily or weekly basis. He handles a bit of money, not much, but he isn’t able to improve his living situation because he doesn’t know how to save or get loans. When customers first told me, ‘You’re helping my dream come true,’ I thought they were exaggerating. But over time, experience taught me the contrary: these people have a dream, something they’re after. For me, the best customer I meet is someone not able to access credit and we give him or her that possibility. At one training session, I was told that a customer makes sure to pay off a loan in order for his dream to come true: owning a television and a DVD player to watch movies.”

Mario’s words reveal the figure of the poor meritocrat, who is perched within the heart of capitalist finances. “That is why the lower classes are the ones who take credit most seriously.” Mario, in fact, has no interest in a customer who makes ten thousand pesos per month but never makes a payment.

We’re looking for profit. I’m good with the guy who gathers cardboard, gets by and pays me a fifty peso installment once a week. The ones who come in with a payroll stub are the ones who fall behind; some of them say, ‘I can’t make the payment because I’ve got to throw my daughter’s fifteenth birthday party.’ There are customers with a high credit rating who suddenly disappear… Once I went to see a guy who was refusing to pay and hiding out, and I drove right into his garage door on my scooter because I was so angry. I am talking about employees, factory supervisors, people who earn a decent salary… They’re the ones who fall behind.”

And sometimes these forms of credit spark emotions between those who feel like their dream is about to come true and the agent, who employs tried and dispassionate methods to measure the trustworthiness of the applicant. Mario insists that

> *Because these are people who cannot access credit and our company gives it to them, they work hard to pay us back. It’s a pleasure to help them. And if they don’t make a payment, it’s because something’s happened. I have cried alongside my customers because I’ve helped them dig themselves out of a hole and worked very hard, using all the tools the company provides me with to help people when they have a serious problem. I can now call many of these people my friends because they help us and I help them. When you help out people like this, they are on your side for life. Because they are careful with a loan—it’s their only chance to buy a cell phone or a television set or whatever. That is why the poorest people are our best customers.*

La narración de Mario tiene un valor performativo preciso. Formatea la auto representación necesaria para participar en este sistema de credito. Esta implica tanto un imaginario sobre el valor moral del pobre meritocratico como el imaginario sobre las capacidades tecnicas y emotivas para descubirlo. Mario fue entrenado para creer en ambos imaginarios que le dan forma a este sistema de credito.

Conclusion

In a work that deconstructed the Weberian myth of the capitalist spirit, historian Craig Muldrew (1998) analyzed the origins of capitalism in England to show the importance of a credit culture based on trust and moral reputation. This exercise is quite similar to Anthropological endeavors to reveal the social and moral profiling of contemporary finances (Zaloom 2012, Ortiz 2013). In both cases, the one-sided narrative of the morality of credit and debt is deconstructed. My work has moved in the same direction. My ethnographic exploration seeks to de-essentialize the opposition between informal and community-based systems and the so-called capitalist systems, revealing their continuity through the rules that must be complied with in order to accumulate moral capital as a way to access credit and pay off debts.

En este sentido, nuestro trabajo aporta a la literatura que ha intentado, según la definición de Fourcade y Healy (2007), abrir la caja negra de la moralidad (the black box of morality) para comprender cómo los mercados funcionan no en oposición sino gracias a la performatividad moral que estabiliza sus intercambios y definen sus agentes legitimos.

En este articulo abrir la caja negra de la moralidad de los mercados a traves del concepto de capital moral ayuda a desencializar dinamicas sociales, reglas y comportamientos que son naturalizados u ocultos.

As we have seen throughout this article, for those who have the fewest economic and cultural assets, treading water in financial capitalism involves fighting to have their virtues acknowledged. Moral capital is their passport. However, like all forms of acknowledgment, it is a scarce good and thus a form of domination that some practice and others must accept in order to access the material benefits capitalism has to offer. The hypothesis that moral capital multiplies economic capital suggests that there are differentiations and inequalities that not only regulate borrowers but also allow them to be distinguished individually.

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