From Debt to Sexual Labour: Financial Exclusion, Gendered Vulnerability and the Reproduction of Sex Work in Chaturbhujsthan

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Abstract:

Debt is usually treated as an economic obligation between a borrower and a lender. For socially and economically marginalised women, however, debt can become much more than a financial liability. It can shape employment, family relations, dignity, mobility and future choices. This article examines the relationship between indebtedness and the reproduction of sex work among female sex workers in Chaturbhujsthan. Drawing on the empirical material and respondent narratives in the present study, it argues that financial exclusion is an important but often overlooked factor behind the persistence of sex work. Women borrow largely for basic needs such as food, medical treatment, rent, electricity, children's education and family ceremonies. Since formal financial institutions are often difficult to access, they depend heavily on informal lenders, clients and local intermediaries. High interest, repeated borrowing and weak bargaining power gradually transform borrowing into a cycle of dependency. The article further shows that debt can acquire a gendered and intergenerational character. In some cases, sexual services become an informal means of repayment, while daughters of indebted women may become vulnerable to entry into sex work. The COVID-19 lockdown intensified these conditions by removing income while leaving basic household expenses unchanged. The article uses the ideas of Erving Goffman, Pierre Bourdieu and Amartya Sen to understand stigma, unequal access to resources and constrained agency. It argues that alternative livelihood programmes cannot succeed merely by providing vocational training or small assets. Unless they address debt, financial exclusion, social stigma and the economic security of children, they may leave the underlying structure unchanged. The study concludes that breaking the cycle requires accessible credit, social protection, sustainable livelihoods and institutional support that treats sex workers as citizens with economic and social rights.

Keywords: *Debt, Sex work, Female sex workers, Financial exclusion, Gender, Stigma, Sexual labour, Social exclusion, Chaturbhujsthan, Informal credit.*

1. Introduction

Debt is a familiar part of everyday life. People borrow money when their income is insufficient to meet an immediate need. A loan may be taken for illness, education, housing, marriage or food. For households with regular income, savings and access to banks, debt may remain a temporary financial arrangement. For people living with uncertain incomes, however, borrowing can become a permanent feature of survival.

The situation becomes more complicated when the borrower belongs to a socially excluded group. In such cases, access to money is shaped not only by income but also by identity, stigma, documentation and social relationships. The experience of female sex workers in Chaturbhujsthan provides a striking example.

Chaturbhujsthan is a historically known red-light locality situated in Muzaffarpur, Bihar. For decades, the area has been associated with sex work and has developed into a distinct social and economic space where several generations of women have lived and worked under conditions of poverty, stigma and social exclusion. The locality is not merely a geographical area but a complex social setting shaped by relationships among sex workers, their families, clients, intermediaries, moneylenders and other local actors. Many women living in the area are responsible for supporting their children and households while facing unstable income and limited access to formal institutions. These conditions make Chaturbhujsthan an important site for understanding how poverty, debt, financial exclusion and gendered vulnerability interact in everyday life. The present study examines these processes from the lived experiences of women associated with this locality.

The empirical material of this study shows that women frequently borrow for basic household requirements. One respondent explained that she was unable to save because her earnings were consumed by daily expenses. When her daughter became ill, she borrowed Rs. 5,000, but repayment remained difficult. The significance of this account lies in its simplicity. The woman did not borrow to improve her economic position. She borrowed because her existing income was not enough to deal with an unexpected problem. This distinction is central to understanding indebtedness in Chaturbhujsthan.

The problem is not simply that women borrow money. The problem is what happens after borrowing. When income remains uncertain and interest is high, one loan may produce another. Women may borrow from one person to repay another, postpone payments, work additional hours or accept conditions that they would otherwise reject. The source material reports interest rates from informal

lenders that could reach around 40 per cent. Debt therefore becomes a social relationship marked by unequal power.

Recent research supports the importance of examining financial exclusion among sex workers. A 2025 study of female sex workers in Bhubaneswar describes their position as a form of "double exclusion" from formal financial services, showing difficulties in accessing savings, credit, insurance and other financial products. (Sage Journals) Earlier research in Andhra Pradesh also found widespread indebtedness among female sex workers and linked debt with economic insecurity and experiences of violence. (PubMed Central (PMC))

The present study adds a different but closely related dimension. It shows how debt can become connected with the continuation and reproduction of sex work within families. The central argument is that financial exclusion does not merely make women poorer. Under certain conditions, it can strengthen the social and economic structures that keep women within sex work and expose the next generation to the same occupation.

2. Methodological Approach

The article is based on the empirical material contained in the present study of Chaturbhujsthan. The study uses a qualitative, field-based approach centred on the experiences and narratives of female sex workers and other actors connected with their economic lives. Particular attention is given to women's experiences of borrowing, repayment, informal lending, family expenditure, children's education, alternative employment and the effect of the COVID-19 lockdown.

Respondent narratives are treated as more than personal stories. They are used as sociological evidence to understand recurring patterns of economic vulnerability and unequal power. The analysis therefore moves between individual experiences and the wider social structures in which those experiences occur.

The study does not assume that every sex worker experiences debt in the same way. Rather, it identifies recurring mechanisms through which financial insecurity can contribute to dependence, coercion and occupational continuity.

3. Debt, Poverty and the Everyday Economy of Survival

The first important finding is that borrowing is closely tied to everyday survival. Women borrow for food, medicines, rent, electricity, education and other household expenses. These are not exceptional expenditures. They are the ordinary costs of maintaining a family. Yet when income is irregular, an ordinary expense can become an emergency. This produces what may be called a survival-based debt

economy. Money is borrowed not to generate more income but to maintain the household until the next income arrives. The problem is that the next income may not be enough to repay the previous loan. The source material records women who have little opportunity to save because their earnings are immediately consumed by household expenditure. This creates a fragile financial situation. A single illness or unexpected expense can disturb the entire household budget. The gendered nature of this burden is important. Women are often responsible for managing children's expenses, food and other household requirements.

Research from rural Tamil Nadu similarly shows that women are more likely to borrow for making ends meet, while the poorest women carry particularly heavy borrowing responsibilities. (ScienceDirect). Debt, therefore, cannot be understood only in terms of how much money a woman owes. It must also be understood in terms of why she borrowed and what social responsibilities she is expected to meet with that money.

4. Financial Exclusion and Informal Credit

Formal financial institutions are designed around documentation, regular income and identifiable financial histories. These requirements can create barriers for socially marginalised women. The present study shows that women in Chaturbhujsthan face difficulties obtaining bank loans because of documentation problems and the stigma associated with their occupation. Some respondents reported that banks were unwilling to lend once their occupation became known. The result is a paradox. So, women who most needed affordable credit often has the least access to it.

Since bank denied financial help, Informal lenders fill the gap because they can provide money quickly and with fewer formal requirements. But the convenience of informal credit comes with a price. Interest rates may be extremely high, and the lender often has considerable knowledge of the woman's personal and family circumstances. This creates a relationship in which the lender possesses both economic capital and social information.

Pierre Bourdieu's concept of capital helps explain this unequal relationship. Economic capital gives access to material resources, while social capital can provide access to networks and opportunities. For marginalised women, the absence of these forms of capital limits their bargaining power. The informal lender, by contrast, may possess both money and local influence. Thus, informal credit does not simply provide money. It can create dependence.

5. From Loan to Debt Trap

The transition from borrowing to indebtedness occurs when repayment becomes difficult. The field material describes women who borrow from one person to repay another. This practice of shifting between lenders can be understood as debt "juggling." It provides temporary relief but does not solve the underlying problem.

Suppose a woman borrows money for her child's medical treatment. She then has to repay the lender but has no savings. She borrows again. The second loan is used partly to repay the first. Interest accumulates. Her income remains uncertain. The cycle continues. At this point, debt stops being an occasional financial tool and becomes a permanent part of household life. The emotional dimension is equally important. Women may live with continuous anxiety about the next payment. The study records experiences of verbal abuse, threats and humiliation when women were unable to repay lenders. Debt therefore operates through both money and fear.

This finding is consistent with research from Andhra Pradesh, where indebted female sex workers were found to experience higher levels of physical violence and other forms of vulnerability. (PubMed Central (PMC)). The significance of the present study is that it shows how such vulnerability can become embedded in everyday relationships with lenders and other local actors.

6. Debt as a Gendered Relationship

Debt does not affect all borrowers in the same way. For women, debt is often connected with family responsibilities, children's needs and gendered expectations. A woman may borrow because her child is sick, because school fees are due or because the family needs food. She is therefore borrowing not only as an individual but as a person responsible for maintaining a household. This is what makes debt gendered. The burden of repayment may fall on the woman even when the original reason for borrowing concerns the whole family. Thus, the situation becomes especially difficult for women who do not have stable support from husbands or other family members. The source material contains accounts of separated women, single mothers and women managing household responsibilities largely on their own.

Debt consequently becomes part of a larger structure of gender inequality. The woman has responsibility but limited resources. She is expected to provide for her children but has restricted access to formal credit and alternative employment. She has an obligation to repay but limited bargaining power with the lender.

"This combination produces what may be called gendered financial vulnerability"

7. When Sexual Labour Becomes a Form of Repayment

The most disturbing dimension of the debt relationship is the reported exchange of sexual services for financial assistance. The source material describes cases in which women were expected to provide sexual services in connection with loans or delayed payments. In one case, a client provided money without formal interest but expected sexual access whenever he wished. This changes the meaning of the loan.

An interest-free loan may appear economically beneficial, but if repayment involves sexual access, the cost has simply taken a different form. The woman's body becomes part of the credit relationship.

Another account describes a woman who was unable to pay her children's school fees during the COVID-19 period. The teacher reportedly agreed to delay payment but demanded sexual services in return. These narratives reveal the wider reach of economic vulnerability. Exploitation does not necessarily occur only within the sex-work market. It can also enter relationships involving education, credit, policing and access to basic goods. The underlying mechanism is unequal bargaining power. The person who controls a needed resource can impose conditions on the person who needs it.

8. Debt and the Reproduction of Sex Work

The relationship between debt and sex work becomes most significant when the burden extends from mothers to daughters. The field material suggests that lenders may show particular interest in families with young daughters. One respondent indicated that women with daughters could find it easier to obtain loans. If the future sexual labour of a daughter becomes part of the lender's calculation, then the girl herself becomes economically valuable within the debt system. This is the most disturbing transformation of the meaning of collateral.

In conventional finance, collateral is usually property or another economic asset. In this setting described here, the future labour and sexuality of a girl can become an informal source of repayment. This is how debt can reproduce sex work.

"The mother borrows. The mother cannot repay. The lender applies pressure. The daughter becomes vulnerable"

The occupation is then reproduced not simply through individual choice but through a social structure that connects poverty, credit and sexual labour. The case of Shailja is particularly revealing. She had left sex work and started selling footwear. She wanted to support and educate her daughters. Yet she remained concerned that local men and intermediaries were interested in her daughters and wanted them to enter the same occupation. Her experience demonstrates that leaving sex work is not simply

an individual decision. The social environment can continue to reproduce the occupation around the family.

9. Stigma and Restricted Life Chances

Erving Goffman's theory of stigma provides an important way of interpreting these experiences. Stigma does not merely involve negative attitudes. It can reduce a person's access to ordinary social relationships and institutions. Research on sex workers in India has similarly shown that occupational stigma can operate at experiential, symbolic and structural levels. (ScienceDirect) Research from Kolkata has also demonstrated that interventions addressing internalised stigma can improve savings behaviour and engagement with health services, indicating that stigma has measurable consequences for economic behaviour. (MIT Press Direct)

The Chaturbhujsthan material shows a similar process in the financial sphere. A woman may be unable to obtain a bank loan because of her occupation. She may struggle to find another job because of social stigma. Her children may face discrimination because of their mother's occupation. She may therefore remain dependent on the same local economic network from which she wants to escape. Stigma becomes economically productive. It helps reproduce the conditions that make alternative choices difficult.

10. COVID-19 and the Intensification of the Debt Cycle

The COVID-19 lockdown brought these vulnerabilities into sharp focus. Since sex work is dependent on mobility and contact with clients. When movement was restricted, income fell sharply. Yet household expenses continued. One respondent reported borrowing nearly Rs. 1 lakh during the lockdown for survival. She later managed to repay only part of the amount and remained heavily indebted. Another woman borrowed repeatedly to pay rent and electricity bills. After restrictions eased, she returned to sex work while also washing dishes in a hotel to increase her income. These experiences show that the lockdown transformed existing economic insecurity into acute financial crisis. Research conducted elsewhere in India reached similar conclusions. Shekhar's study of commercial sex workers during COVID-19 found widespread borrowing for rent, electricity, children's education and medical expenses and warned of the serious long-term consequences of debt. (PubMed Central (PMC)).

The Chaturbhujsthan evidence adds an important local dimension: women did not simply accumulate financial liabilities. Their dependence on lenders also increased their vulnerability to sexual and other forms of exploitation.

11. Why Alternative Livelihoods Often Do Not Work

An obvious policy response to sex work is to provide alternative employment. This is important, but the evidence suggests that alternative livelihood programmes need to be designed more carefully. The source material refers to initiatives involving activities such as vegetable vending, sewing and other small enterprises. Such programmes provided opportunities for some women, but they were less effective for women carrying substantial debt. The reason is straightforward. A woman cannot simply replace an existing income with an alternative that provides substantially less money while continuing to pay interest, rent, food costs and children's school fees. Research on women who attempt to leave sex work in India also shows that debt, daily expenses, inadequate capital and the inability to secure alternative employment can contribute to returning to sex work. This suggests that livelihood programmes should not focus only on training. They should address: existing debt; transitional income; access to affordable credit; children's education; housing security; market access for alternative businesses; and protection from discrimination. The goal should not be merely to provide an occupation. It should be to provide a viable livelihood.

12. Discussion

The evidence from Chaturbhujsthan suggests that debt should be understood as a form of social power. At the beginning, the relationship appears voluntary. A woman needs money and approaches a lender. But the balance of power changes once the loan is taken. The lender can demand repayment, charge interest, threaten the borrower or impose other conditions. The woman's vulnerability is increased because she lacks alternative sources of credit. This creates a cycle: "*poverty creates the need for credit; financial exclusion pushes women towards informal lenders; informal credit produces high-cost debt; debt increases dependence; dependence reduces bargaining power; reduced bargaining power increases exposure to exploitation; and exploitation can reproduce sex work.*"

This process is not inevitable for every woman. But the field narratives demonstrate that it is a real possibility within the social environment studied. Amartya Sen's concept of capability is particularly useful here. A person's freedom depends not simply on formal rights but on the real opportunities available to them. A woman may technically be free to leave sex work, refuse a lender or seek a bank loan. But if leaving means losing the only reliable source of income, if refusing a lender means risking violence, or if a bank will not provide credit, then her practical freedom is very limited. Pierre Bourdieu's framework also helps explain why the cycle is difficult to escape. Women lack the economic and institutional capital necessary to move easily into more secure occupations, while local intermediaries possess resources and networks that give them greater bargaining power. *"The problem is therefore structural rather than merely individual"*

13. Policy Implications

The findings suggest several areas for intervention.

First, accessible formal credit

- Financial inclusion should mean more than opening bank accounts. Women need actual access to small loans, savings facilities, insurance and emergency credit without discriminatory treatment.
- Recent research on female sex workers in Odisha shows precisely why this is important, documenting continued exclusion from basic financial products and services. (Sage Journals)

Second, protection from predatory lending

- High-interest informal loans should not be the only available option during emergencies. Community-based credit systems, self-help groups and regulated small loans may provide safer alternatives.

Third, sustainable alternative livelihoods

- Training should be connected with actual markets and realistic income. Women carrying existing debt need transitional support rather than being expected to immediately replace their entire income.

Fourth, protection of children

- The possibility that daughters may become vulnerable to the same occupation requires specific intervention. Education, safe accommodation, scholarships and protection mechanisms can help interrupt intergenerational transmission.

Fifth, reduction of institutional stigma

- Banks, schools, health facilities, police and welfare agencies must not treat women differently simply because of their occupation. Financial exclusion cannot be reduced while institutional stigma remains.

14. Conclusion

The experience of female sex workers in Chaturbhujsthan demonstrates that debt is not simply a matter of money owed. It is deeply connected with poverty, gender, stigma, institutional exclusion and power. Women borrow because they need to survive. They borrow for medicine, food, rent, electricity, education and family needs. But when formal credit is inaccessible, they turn towards

informal lenders. High interest and uncertain income then make repayment difficult. One loan lead to another, and debt gradually becomes a permanent feature of everyday life.

The most important finding is the connection between debt and sexual labour. When sexual services become a form of repayment, the boundary between economic exploitation and sexual exploitation becomes blurred. When daughters become objects of interest within the lending relationship, debt acquires an intergenerational character.

The COVID-19 lockdown intensified this process. With earnings disappearing and household expenses continuing, women borrowed more heavily. Some subsequently took additional work to repay debts, while others became more exposed to coercion.

The study therefore challenges a simple understanding of sex work as an individual occupational choice. Choices are made within social conditions. Where women lack savings, formal credit, secure employment and institutional support, their choices are narrowed. The central problem is consequently not debt alone and not sex work alone. It is the interaction between debt, financial exclusion, stigma and unequal power. Breaking this cycle requires more than rehabilitation programs. It requires financial inclusion that actually reaches marginalised women, affordable credit, protection from predatory lending, sustainable employment, educational opportunities for children and institutions that do not reproduce stigma. The real measure of successful intervention should not be how many women are removed from sex work. It should be whether women gain the economic security and social freedom to make meaningful choices about their own lives.

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