

# **Lending Money, Generating Vulnerabilities: Between the Theories of Social Reproduction, Sex Work and Microfinance in Cambodia**

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*Applying social reproduction feminist theory for exploring the interconnections between capitalism and women's exploitation, this paper analyses how the patriarchal system operates for the reproduction of vulnerable women, specifically as a source of (capital) accumulation. It assesses the effects that microfinance has on social reproduction and sex work. As the Cambodian case demonstrates, microfinance has oftentimes reinforced gender structures generating a widespread over-indebtedness and augmenting the likelihood for women to enter the sex industry. Working within a debt-driven finance perpetuating the subjection of women into exploiting practices, microfinance may ultimately deprive the nation of vital human resources for economic development.*

*Keywords: social reproduction, Cambodia, financialisation, micro-finance, political economy of development, gender inequalities*

## **INTRODUCTION**

Social reproduction in the Global South has undergone profound changes because of the globalizing processes of capitalism that have restructured labour market and social relations, increasing poverty to unprecedented levels as well as creating insecure and forced forms of labour, such as sex work (LeBaron, 2011). Furthermore, this phenomenon has been exacerbated by one of the financial responses that the international community has devised as a poverty alleviation strategy – that is microfinance (Davy & Phillips, 2017). In demonstrating such an argument, the paper will take into consideration the case of Cambodia, where the development of the sex industry is a vivid example of such interconnected dynamics.

In fact, the contradictory articulations that globalization has entailed in developing countries between “life-making and capitalism’s tendencies toward dispossession and accumulation” (Ferguson) have triggered a degeneration in the general conditions of the population and, specifically, of workers’ concrete social relations. Conceived not as a mere economic system, but rather as a broad reconfiguration of social structures, globalized capitalism is indeed an all-encompassing system according to which the individual and his/her labour have to be commodified over and over again in the barest and most dehumanising ways in order for their survival and reproduction to occur (Bertone, 1999). For instance, sex work, which builds upon capital relations of production and reproduction highly gendered and racialised, can be conceived – within the broad spectrum of informal economies – as a by-product of the capitalist economic forms of commodification and dispossession (Bertone, 1999; Cruz, 2018; Elias & Holliday 2018).

The pro-poor development strategy promoted by international institutions such as the IMF, that tries to address such conditions burdening the most vulnerable people, in particular women, is microfinance that

works through micro loans lending. According to its logic, borrowers would invest such loans in the creation of small businesses that generate income, thus escaping the condition of poverty and participating in the growth of their country (Getu, 2006; Chhay, 2011). Nonetheless, it mainly operates as an engine that enforces the inclusion of the poorest in capitalist relations and in a forced labour arena (Keating, Rasmussen & Rishi, 2010; Taylor, 2011). In fact, the role of microfinance is distinctive in exacerbating capital accumulation through financialised capital-labour relationship, producing a deepening of the crisis of social reproductive activities conceived as value-generating processes (Ferguson; Harvey, 2003). That is, rather than empowering women to independence from exploitation, as international institutions argue, they are still identified as a “disposable” target on which a form of violence is inflicted (Mezzadri, 2016). Therefore, in general terms, microfinance should be conceived as a particular well-oiled device of financialized capitalism-centred development. Indeed, capital-centred development is a wide-ranging political and practical arena that operates towards maintaining the gendered and disempowered status of the developing countries (Selwyn, 2017).

In order to analyse these complex dynamics, I will adopt a Social Reproduction Feminist theory with a Marxist feminist lens. This perspective crucially moves beyond the separation between the production of goods and services and the production of life. Indeed, those are conceived as both parts of one single process that, in turn, construes labour not merely as a value-creating element, but also as a “living, concrete relation that is situated within a multiply inflected sociality” (Ferguson). Such lens fruitfully reflects on, and highlights, the persistent patriarchal norms and ideologies forging not only the root causes of both labour and gender inequalities within capitalist social and working relations but also how those inequalities are the actual outcome of that system that perpetuates its reproduction.

In analysing those interacting processes, the essay will be structured in two main sections. The following section will briefly develop the Marxist feminist insights, with a special focus on understanding the relations between globalized capitalism and social reproduction theory. Particular attention will be then paid to the ways through which such interconnections lead to aggravating women’s exploitation and impoverishment, who are compelled even more to specific forms of unfree labour such as sex work.

With such lens in mind, the second section will look at Cambodia as a case study. Through a brief historical reconstruction of the integration of the country in the global world economy and its effects on the creation of a local sex industry, the gendered nature of processes of extortion and exploitation within finance-led capitalism will be highlighted. It will be noted how the introduction of microfinance institutions as pro-poverty mechanisms has - contrary to the expected belief of empowering women - further disenfranchised them consequently increasing the likelihood for them to enter the sex industry.

## **SOCIAL REPRODUCTION THEORY AND FORCED LABOUR**

The oppressive and exploitative relationships that women, specifically in developing countries, have been subjected to within the contemporary capitalist system have been explored by a wide range of literature (Fleming & Fortunati, 1995; Hartsock, 2006; Hite & Viterna, 2005; Ferguson & McNally, 2015; Strauss, 2015). In particular, a Marxist feminist perspective looking through the lens of a Social Reproduction Feminist theory (SRF) allows a better insight into the relationships within the capitalist structure between the oppression of women and their exploitation. In fact, differently from the classical liberal tradition, which conceives free wage labour as the agreed exchange of non-exploited labour power between equals in response to market forces, a Marxist feminist perspective focuses on capitalist relations of ‘(re)production’, which rather than being merely economic, are also constrained by gendered, racialised and legal terms that makes such relations far from being played in an equal power arena (Bryson, 2005). As Ferguson crucially emphasizes, by going beyond the need of capital for labour solely conceived as functional to the production of surplus value, the greater explanatory power of SRF precisely derives from the expansion and further integration of the capital-labour relationship. Specifically, such literature (Ferguson, 2008; Bryson, 2005; Cruz, 2018; Federici, 2002; Katz, 2001; Mezzadri, 2016; 2019) proposes a notion of an

“expanded mode of production, whose essential unity lies in a broad definition of labour that incorporates both the value-producing labour associated with the waged economy, and the domestic labour (typically performed by women) required to give birth to, feed and raise the current generation of workers, and the children who will comprise the future workforce” (Ferguson, 2008, p.4).

In other words, labour is not a mere element in the creation of economic value, but rather the production of services and goods and the production of life are part and parcel of one and the same process, where “race and gender oppression occur capitalistically” (Ferguson, 2008). Therefore, by moving far beyond the description of the profound transformations that capitalism has undergone, SRF provides an analysis of the relationship between the strategies through which the production of human labour and value occur (Ferguson, 2008).

Moreover, SRF perspective essentially includes a historical as well as a theoretical insight. In fact, precisely because this perspective provides also a historical materialist analysis, it allows to trace the changes in the forms and in the conditions of oppression over time. As a consequence, this empowers a wider understanding of the interconnections between ‘historically dynamic macro social forces - namely capitalist relations of (re)production—and a range of micro instances and mechanisms of control and abuse in the migration and labour process’ (Cruz, 2018, p.68). Hence, by assessing the strategies of daily and generational renewal of human life and of labour power, SRF’s peculiar elucidatory function is embedded in its critical insight on the persistence of the capitalist structure (Ferguson).

On the analysis of such a configuration, Federici’s feminist account (2002) crucially raises awareness of how, by reorganizing reproduction and class relations in the 1990s, globalising processes – especially in the labour market - further deteriorated the reproductive systems in the Global South. Following her reasoning (2002, p.60), ‘globalization’ describes a “strategy seeking to determine a process of global proletarianization, and the formation of a global labour market as means to cheapen the cost of labour, reduce workers’ entitlements, and intensify exploitation. These, in fact, are the most unmistakable effects of the policies by which globalization is driven”. In general terms, capitalism has destroyed the subsistence economies on which millions of people relied, pushing them towards monetary incomes even in situations where those waged employment activities were not accessible to them (Federici, 2002). In fact, riding on the wave of globalization, that also marks a substantive move of productive capital on the international stage with an ever-increasing intensity, predatory capitalists have moulded the world labour market so as to make it necessary for everyone to participate in it, for instance by imposing the accumulation process and cutting the costs of labour-production (Katz, 2001; Federici, 2014). In other words, with national boundaries becoming highly mobile and meaningless and the increase in vulnerability and coercive working conditions, such shifts in power, production and social reproduction have moved the whole labour arena towards an increasing unfreedom, that is the “inability to control one’s labour in favourable working and living conditions” (Cruz, 2018, p.69; George, Vindhya & Ray, 2010).

In a similar vein, LeBaron (2011, p.3) importantly provides an analysis of the ways in which the recurrence of forced labour is an “anomalous and individualized form of exploitation epiphenomenal to market restructuring”. Unfree labour is distinctive of global capitalism and the increasing unfreedom has meant the deepening of market discipline that intensified workers’ insecurity and the unfreedom within labour contracts and processes itself (LeBaron, 2011). In light of this, the capitalist organization and structure require labour to be commodified and sold for a wage in the market. However, despite considering the wage as an equal exchange with labour, in reality, the equality of the exchange is only fictitiously there, whereas exploitation is ever persistent. The first position conceives workers as free to sell their labour power in exchange for a wage; however, they are forced to do it for their survival. The second argument – that is, exploitation as crucial to the capitalist system – holds the belief that the production of surplus value is fundamental in the reproduction of the mode of production of capitalism (Cruz, 2018). In other words, capitalism needs both the production and socially reproductive labour in order to perpetuate its existence. Capitalism must commodify labour power and does not provide protection to workers. Instead, by imposing a bare life, the driving force of accumulation increases the pressure in order to refuse the expensive

humanity of individuals, to limit the needs “thrown up by socially embodied human life” (Ferguson & McNally, 2015, p.17).

In fact, Marie Mies’ perspective crucially challenges such separation between the arenas of production and reproduction, more importantly highlighting how the primitive accumulation process, which is reflected in the mainstream “growth model”, involves violence. In fact, the patriarchal authority places the tenets of the growth model in such a way that it allows the control over women and their labour (Bonnin, Friedman & Todes, 1989). Going back to the roots of capitalism, she argues that primitive accumulation itself, whose main argument is a never-ending accumulation or growth, is one of the main forces at the basis of women’s oppression and exploitation. That means that according to the necessities of capitalist accumulation, it necessitates the complete availability of sources in the greatest quantity possible in search of revenues – that is, women, nature and colonies became concrete sites of accumulation and dispossession (Bonnin, Friedman & Todes, 1989, Harvey, 2003). Thus, capitalism can be considered as working as a totalitarian structure, in the sense of pervading every aspect of society and not allowing the (re)production, and per extension, the social reproduction, of the units it needs to maintain itself. Mies crucially highlights that the pervasiveness of capitalism goes far beyond the “wage labour” and “capital” and its accumulation-driving force has laid bare “women’s autarky over their lives and bodies” (Mies, 1998, p.2). Mies’ account is further reinforced by Mezzadri’s analysis (2016). By insisting on the patriarchal norms operating at the roots of capitalism, Mezzadri helpfully provides a clear insight into how “commodification and exploitation are co-constitutive of the experience of labour (and class) subordination” (2016, p.1881). The identification of such connection is crucially relevant in the analysis of the gendered social construction of women’s body as a highly disposable form of labour commodification, which rather than solely being an outcome of globalisation, it significantly shapes its functioning (Mezzadri, 2016).

Therefore, capitalism has moulded the aspects and the essence of social reproduction, boosting capital accumulation and exacerbating inequalities in wealth and poverty (Katz, 2001). The consequences of these changes have reinforced the hierarchical structure of global and national economies, inflating inequalities that have exacerbated the sexual and international division of labour (Federici, 2009). The problematic necessities and the predatory expropriation – of both territories and work-force - imposed by the developed countries resulted in the impossibility of sustainment and social reproduction of the population or families of the developing ones (Federici, 2009). Indeed, in the latter, such processes culminate in the dramatic depreciation of labour-power and in an “underdevelopment of social reproduction” (Federici, 2009, p.8). The degree to which such conditions have exacerbated (and exasperated) the workforce in those contexts – leading to an almost impossibility of social reproduction – is clearly visible in the decision, and not the necessity, to even face death or incarceration in order to migrate or/and work for the betterment of their status (Federici, 2009).

This is particularly true for women who, in order to sustain their families and loved ones, are forced and ready to face a life of humiliation, extortion or alienation (Federici, 2009). Indeed, by absorbing the shock of economic globalization, women become one of the primary victims of the worsening of economic and social conditions. Furthermore, in a situation of sinking wages and increasing unemployment, men usually make women enter prostitution in order to access the world market (Federici, 2009). Therefore, the point is that poverty alone does not adequately explain women’s involvement in the sex industry. Rather, patriarchal and masculine ideologies play a crucial role in the broader context of economic hardship, ruling the limitation of women’s economic choices. Moreover, in alliance with the masculinist ideologies that shape women as sexual servicers, the racial ideologies “construct some women as more attractive and some as more ‘disposable’ (Peterson, 2003, p.105).

To address poverty conceived as the main driver of social reproduction crisis and specifically of sex work conceived as forced labour, the increasingly financialized capitalism has lauded microcredit as a development strategy that supposedly decreases poverty among women (Islam, 2007, p.2-3). Namely, microcredit is “the extension of small, short-term loans to the very poor who lack the traditional physical collateral that large institutional lenders typically require” (Driscoll, 2010, p.282). The goal of microcredit is to incentivise people to borrow in order to develop local microenterprise, consequently stimulating the creation of income and employment (Driscoll, 2010). Through financial inclusion, the emergence of

microfinance is said to fill the gap created by the state, in support of its vulnerable population (Price, 2015). In fact, the financialisation of reproduction ensures the use of debt to purchase services (education, health care, pensions) that the state formerly subsidised, so the many reproductive activities are now sites of capital (Federici, 2014).

However, the current system of microcredit, far from being a panacea to poverty and by exploiting class and gender ideologies, increases the likelihood for women to enter the sex industry (Driscoll, 2010; Price, 2015). In fact, by targeting mainly women, microfinance further exacerbates the feminisation of poverty and the socialisation of risk underpinning the contemporary processes of production and social reproduction (Price, 2015). Hence, advocated as an instrument whose aim is that of reducing poverty and empowering women, microfinance actually results in a debt-creating and perpetuating device, “involving a vast network of national and local governments, nongovernmental organizations (NGOs), and banks, starting with the World Bank, serving mostly to capture the work, energies, and inventiveness of the “poor,” women above all” (Federici, 2014).

### **CAMBODIA: SEX INDUSTRY AND OVER-INDEBTEDNESS**

Social reproduction has been heavily threatened In Southeast Asia, where globalization has affected economies leading to the expansion of “informal labour sector, unregulated work in factories and export-processing zones” (George, Vindhya & Ray, 2010, p.69). Specifically, in countries such as Cambodia, where 41% of the population lives on less than \$2 per day, and 72% lives on less than \$3 per day, globalization has incrementally eroded families’ ties, with members becoming a separate unit plugged into the modern labour market (George, Vindhya & Ray, 2010; ADB, 2014). This has boosted the rate of women reversing in illegal, forced and unprotected occupations, as for instance in the case of sex work. In other words, the new global circuits, phagocytizing a growing number of individuals within the global economy, heavily impact developing countries, threatening the livelihood of millions of people. Therefore, a brief historical insight on the integration of Cambodia within the global economic dynamics and the international response to poverty – that is, microfinance - is crucial in assessing the ways in which such global dynamics have affected a population already in crisis, and specifically Cambodian sex workers.

In order to be integrated within the world economy, Cambodia began establishing relationships with the Global North in 1992 after a period of warfare and revolutions. Such a relationship involved a huge amount of aid in the form of grants and loans from the World Bank’s International Development Agency and from the International Monetary Fund (IMF) (Ear, 1997). The terms Cambodia had to agree with are those of the so-called ‘Washington Consensus’, which refers to the implementation of U.S.-sanctioned structural adjustment programs (SAPs) that resulted in a shift from a “state-controlled economy to a capitalistic market-controlled one” (Ear, 1997, p.74). Among others, SAPs included a reform of public expenditure that was diverted especially towards to the defence sector, rather than to any other sphere of the public economy. In fact, in order to implement such expenditures firmly supported by the Consensus, the Cambodian government was forced to appropriate funding primarily from the health care and education sectors (Ear, 1997).

**FIGURE 1**  
**CURRENT EXPENDITURE BY SECTOR 1/**

	1994		1995		1996		1997
	Budget	Outcome	Budget	Outcome	Budget	Outcome	Budget
	(in billion of riels)						
Defense and Security	283.2	391.5	299.0	421.2	392.3	400.7	383.5
Education	63.8	61.0	73.4	72.4	83.8	80.5	87.9
Health	42.4	30.0	36.2	26.1	60.4	44.0	60.7
Agriculture & rural development	14.9	12.4	17.2	15.3	20.8	18.7	24.4
<b>Total Current Expenditure</b>	<b>585.6</b>	<b>662.3</b>	<b>652.7</b>	<b>731.7</b>	<b>751.0</b>	<b>793.9</b>	<b>870.0</b>
	(in % of total current expenditure)						
Defense and Security	48.4	59.1	45.8	57.6	52.2	50.5	44.1
Education	10.9	9.2	11.3	9.9	11.2	10.5	10.1
Health	7.2	4.5	5.5	3.6	8.0	5.5	7.0
Agriculture & rural development	2.5	1.9	2.6	2.1	2.8	2.4	2.8

1/ Payment-order basis.

Source: World Bank, Cambodia: Progress in Recovery and Reform (Washington, D.C.: World Bank, East Asia and Pacific Region, Country Department 1,1997).

As illustrated by Figure 1, for instance, in the first period of the implementation, from FY 1994 to FY 1995, the budgets of health care were reduced by 24%. Yet, such programs have threatened small and medium-size firms and, rather than reduce the poverty condition that afflicted the majority of the population, “the US\$120 billion rescue package that introduced SAP provisions served to compensate the losses of foreign institutional investors” (Sassen, 2000, p.514).

Therefore, widely compromising perspectives of employment, SAPs relocated the burdening of survival household mainly on women. Besides, such degrading condition of social reproduction moved high participation of women in the so-called ‘feminization of the global circuits of survival’ (Sassen, 2000, p.506). Feminization of survival refers to the increasing dependence of households and communities on women for their survival. Such dynamics gave rise to what can be also defined as “adverse incorporation” in the global economy (Phillips, 2013, p.172). This peculiar form of adverse incorporation stems from the interaction between the global labour market and the social relations of poverty that aggravates vulnerability and unfree/forced labour (Phillips, 2013).

Hence the conjunction of poverty on one side, and the diminishing investments in education that does not allow any development of professional skills on the other - for instance, more than half of the population did not attend primary school in 2009 -, led an increasing portion of the population to address towards lucrative activities, as usually happens for traffickers (Bansal, 2017; Keo, et. al., 2014). Consequently, informal work and services, such as sex work, “have gained prominence as survival options for women” (Sassen, 2000, p.511). In short, in Cambodia, the disinvestment in local manufacturing and agriculture and the IMF and the World Bank’s investments in and tourism conceived as responses to poverty resulted in indirect support of sex trade. In fact, sex work in Cambodia is embedded in “gendered political economies of forced labour and informality that are often tied up with forms of dispossession including forced displacement” and in broader international “flows of tourism, production and investments” (Elias & Holliday, 2018, p.4). Specifically, women in the sex industry, mainly developed in Phnom Penh, become crucial in expanding the entertainment industry and, thereby, tourism as a development strategy (Sassen, 2000; Elias & Holliday, 2018).

Even if the highly illegal context in which it occurs does not permit a precise estimate of the size of the sex industry in Cambodia, sex workers throughout the country are thought to comprise between 80,000 to

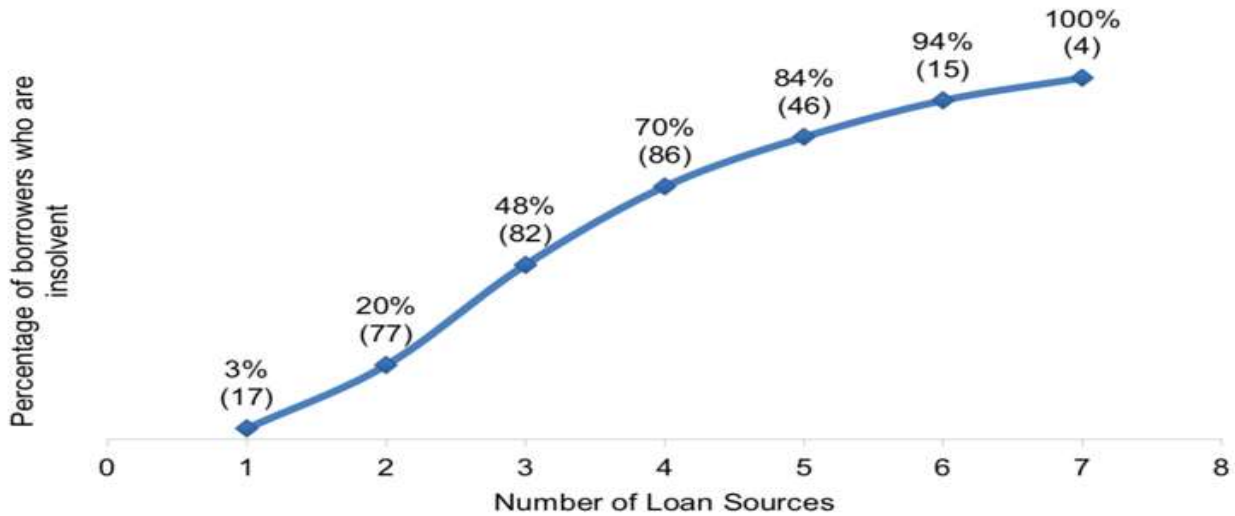
100,000, among which nearly 19% of the trafficked sex prostitutes are under eighteen years old (Schwartz, 2004, p.392; Bansal, 2017). Such supply side of the Cambodian sex industry mainly includes women in a context of “deteriorating economic conditions, rural impoverishment and urban unemployment” (Pettman 1996, p.197–198) and despite the Suppression of Human Trafficking and Sexual Exploitation in March 2008, the safety and the exploitation of women forced to enter the sex industry, that in 2016 were the 90% of sex workers, is unchanged (Sophorn Yit Just Associates Southeast Asia, 2016; Schwartz, 2004). Crucially, the international political economy of sex work cannot be reproduced without the patriarchal demand side, that is usually both the traders and the men from developed and developing countries (Bertone, 1999). Moreover, since more and more sex workers are forced to migrate, there is an increasing shift in wealth from poor areas to the richest one, within Cambodia itself and internationally. In fact, the revenues of the sex industry are mainly relocated between rich states, organized crime and transnational corporations associated with the tourism industry (Peterson, 2003). In Cambodia for instance, each sex worker generates nearly US\$45,000 in income for her trafficker per annum (UNODC, 2013). Hence, both supply and demand side reflect “familiar economic hierarchies, with richer men and states as buyers and poorer women and states as sellers” (Pettman 1997, p.96).

As already pointed out, one of the leading drivers that boosted the development of the sex industry is poverty, which has been unsuccessfully addressed through the financialized strategy of microfinance by the international community. The Cambodian microfinance industry is one of the largest per capita in the world and it is second only to India in terms of global investment in the microfinance sector, with more than two million borrowers (Estes & Green, 2019; Thath, 2018). “New data shows the Cambodian microfinance market disbursed \$1.79 billion in loans over the first three quarters of 2014, amounting to a 51 per cent increase over last year’s Q1-3 figures” (Riecke, 2014). Microfinance Institutions (MFIs) are the pioneers of such poverty reduction programs, that are US-funded international microcredit programs founded by the U.S. Agency for International Development (USAID). Hence, drawing on the neoliberal tenets of entrepreneurship and economic growth, microfinance is an instrument whose narrative focuses on the reduction of poverty, specifically among women, and on the transformation of the relations of social reproduction through the financial inclusion of the poor (Price, 2015; Driscoll, 2010).

In reality, however, the expansion of the microfinance sector has generated large profits for MFI shareholders, nearly 90% of whom are from outside Cambodia (Sinha, 2014). Microfinance has reinforced the traditional gender hierarchies becoming a new distinctive gendered and financialized form of women subordination, who are subjected to more and ever-burdening responsibilities (Jeffreys, 2009). First of all, microloans “fail to reach the poorest women who are at the highest risk of entering into a trafficking situation” (Driscoll, 2010, p.286). The rural poor – 90% of the poor population (ADB, 2014), who are the most likely to enter the sex industry, are usually geographically dispersed and this increases the unlikelihood to form groups the MFIs could reach. Secondly, due to the loan contracts, that require the immediate repayment and interest rates over 20%, microcredit exacerbated the cycle of over-indebtedness and, per extension, of poverty. Even though in some regions, such as in Battambang Province, microfinance has boosted the income of borrowers, a 2013 report conducted by the Cambodia Institute of Development found that nearly 51% of respondents struggled to repay their MFIs loans on time.

In addition, the Kredit Microfinance Institution in Cambodia reported that nearly one-third of those who applied for a loan already had two loans issued from other institutions (CFI). Consequently, the need to borrow from another source of revenue to meet the weekly debt obligations increases the likelihood of women to enter the sex industry (Driscoll, 2010). In other words, women depending on such loans or on local lenders also called “loan sharks”, who impose extremely high interest rates, are further burdened with over-indebtedness, failing to meet repayment schedules. As Figure 2 displays, the more debt an individual, specifically a woman, contracts, the highest is the unlikelihood to meet the debt obligations. For instance, 48% of individuals holding three debts are insolvent.

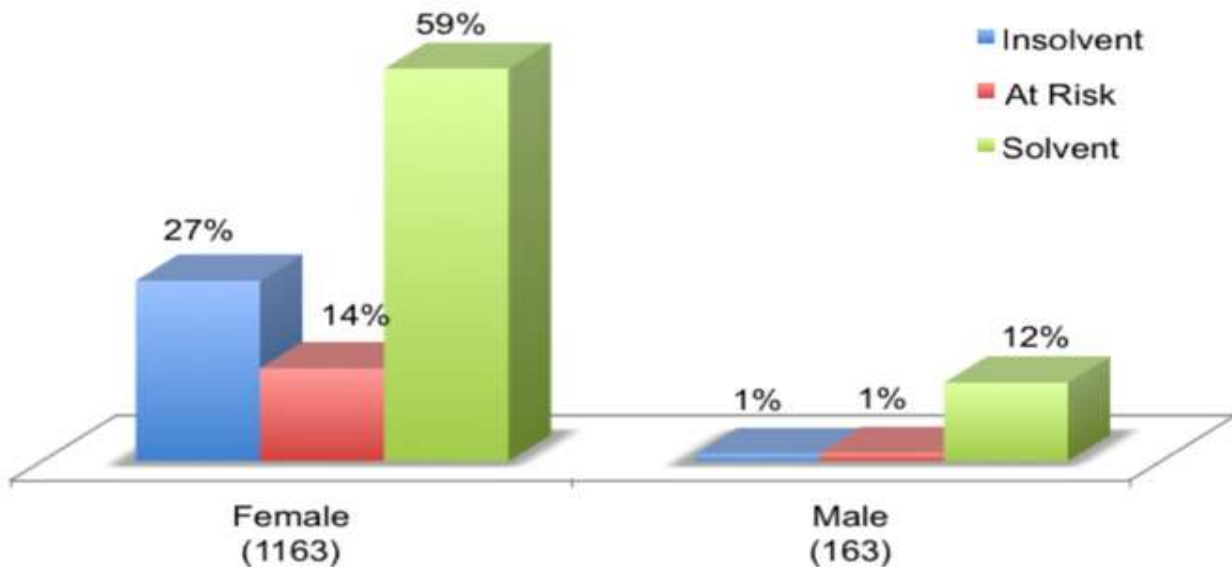
**FIGURE 2  
DEBT/ INSOLVENCY**



Source: Liv, D. (2013) ‘Study on the Drivers of Over-Indebtedness of Microfinance Borrowers in Cambodia: An In-depth Investigation of Saturated Areas: Final Report’, Cambodia Institute of Development Study March (p.42).

Even though the lack of enough data does not allow an extremely precise estimate, according to Liv’s (2013) study, such insolvent condition specifically affects women more, rather than men (Fig. 3). Such escalating debt levels ultimately threaten a further loss of social dignity, an increasing vulnerability to trafficking, and a greater reliance on those well-placed to take advantage of such vulnerability (Thath, 2018; Driscoll, 2010; Riecke, 2014; Taylor, 2015). As a Cohen, Hume and Sorvino (2017) report, when families take loans that balloon to extortionate sums, virgin selling is one of the most likely answers.

**FIGURE 3  
DEBT REPAYMENT PER GENDER**



Source: Liv, D. (2013) ‘Study on the Drivers of Over-Indebtedness of Microfinance Borrowers in Cambodia: An In-depth Investigation of Saturated Areas: Final Report’, Cambodia Institute of Development Study, March (p.37).



In light of the above discussion, it is possible to conclude that in general terms there is a deepening of both male and female precarious conditions, more specifically, women “become hyper-responsible for relationships of social reproduction as economic actors and as wives and mothers” (Keating, Rasmussen and Rishi, 2010, p.167). In turn, rather than freeing women from the chains of the sex industry, microfinance, with a specific target on poor women, reinforces the necessity of entering such forced labour arena. This may be highlighted by the fact that, even if the start-up phase of microfinance in Cambodia is to be dated in the 1990s, the real implementation developed in 2004 coincided with a rising number of sex workers (Flaming, et. al. 2015). In fact, in the same period, the number of sex workers in Cambodia is thought to be increased from 20,829 in 2002 to 27,925 in 2008 (UNODC, 2013). Thus, poverty results in a vulnerability that requires the prior and immediate satisfaction of short term and concrete needs rather than investing in long-term accumulation that could secure safer and long-term yields in the attainment of security (Driscoll, 2010; Phillips, 2013). In fact, the expanded microfinance industry, rather than being used to start a business, is used by Cambodians to cover the expenses of daily needs, such as food, healthcare and education (Liv, 2013). Namely, a third of the loans are invested by many women on household needs rather than on productive activities (Driscoll, 2010; Heijmans, 2018). Nonetheless, the point is that poverty is caused not only by lack of capital, but by

“the unjust distribution of wealth, and a few hundred dollars cannot resolve or mitigate this problem. A few hundred dollars or even more in the hands of families who live daily at the edge of disaster quickly vanish and rarely are invested to make more money” (Federici, 2014, p.238).

In addition, for microfinance to be successful, the cultural and gender issues must be addressed. As a study conducted by Anne Marie Goetz and Rina Sen Gupta demonstrates, this is particularly problematic when women still retain the liability of the payment even though the loan is used by male members of the household (Driscoll, 2010). In fact, because of the strongly gendered hierarchies, many women borrowers are deprived of the loan from the male members of their household.

Conclusively, the Marxist feminist approach provides a link between an entire macro- dominant force of capitalism that cannot be separated from the micro-relations of exploitation in the labour process and in the life of the abused individual herself. The effects of microfinance as a political and financial instrument through which women are subjected to the control of formal and informal economy, as in the case of forced sex work, trapping them in a cycle of indebtedness, unfreedom and exploitation, crucially lays bare how “unfreedom is not incidental to capitalism” (Cruz, 2018, p.72; Federici, 2014). Therefore, from a Labour-led development perspective, rather than reproducing this new financialized form of racialized and gendered capital subjection, what is needed is the prioritising of the labouring classes (as well as the surplus population), the empowerment of women and the relief of conditions of poverty based on the re-assessment of labour social reproduction (Selwyn, 2017). Having an interest in collectively fighting for an effective control over their labour, bodies and lives; activists, academics and, even citizens more generally – whether workers or not – should re- open a “struggle over reproduction aiming to regain control over the material conditions of the production of human beings and create new forms of cooperation around this work that are outside of the logic of capital and the market” (Cruz, 2018, p.67).

## CONCLUSION

Starting by insisting on the strengths of social reproduction feminist theory in highlighting the interconnections between capitalism and the oppression and exploitation of women, the paper analyses how the patriarchal world system operates for the reproduction of vulnerable women - as a source of accumulation, as a commodity to trade (i.e. sex work) and as a target (i.e. microfinance). In particular, drawing mainly on Federici’s and Mezzadri’s feminist accounts, in the first section I argued that a permanent reproduction crisis is triggered by the distinctive forms of primitive (dispossessive) accumulation of globalized capitalism (Federici, 2009). This is followed by the theoretical linkage between

such crisis of social reproduction and the restructuring of the global labour market, whose effects are burdening poor women, now devoid of ownership of the means of production needed for an independent subsistence.

Sex work, which includes a wide range of activities that are associated with considerable violence and coercion against women, is a by-product of contemporary social, economic and political contexts rather than inevitabilities (Monto, 2014). Furthermore, the international lucrative industries of trafficking and sex tourism allow women's inequality to be displaced across spaces – since she becomes the sexual object/subject of mostly Western men (Belleau, 2003; Jeffreys, 2009). The second section concluded with the assessments of the effects that microfinance has on the previously mentioned dynamics – the crisis of social reproduction and sex work. Specifically, failing to reach its objective, that is, among others, the transformation of the relations of social reproduction in an egalitarian direction, “lending programs have, in many cases, reinforced traditional gender structures in spite of shifting economic relationships within households” (Keating, Rasmussen, and Rishi, 2010, p.166). Furthermore, as the Cambodian case demonstrates, by generating a widespread over- indebtedness condition, specifically for women, microfinance augments the likelihood for them to enter the sex industry.

In other words, as the globalizing trends have imposed stronger sexual colonization, microfinance is a new means that reinforces and reproduces gender inequalities intensified by globalised (and globalising) current capitalist tendencies. Such device is a new form of dispossession typically developed in recent years, working within a debt-driven finance that at the same time perpetuates the involvement and subjection of women into the trap of exploitation (Jeffreys, 2009). Ultimately, since microfinance and sex work rely on, and exacerbate, the social, economic and political inequalities of women while employing large numbers of women for a sex-based economy, it deprives the nation of vital human resources for more mainstream venues for economic development. As a consequence, Cambodia is denied “the opportunity to gain from the social and economic growth benefits of women's human capital development” (Schwartz, 2004).

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