Gender and Development Through Western Eyes: An Analysis of Microfinance as the West’s Solution to Third World Women, Poverty, and Neoliberalism

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Abstract of Thesis

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Since the latter half of the 20th century, women’s involvement in development has been held up as the central key to ending global poverty. While sitting on this pedestal however, it has been made clear that while multinational development organizations, non-profits, and governments have called for women and gender to be mainstreamed into the development process, in reality, women and gender issues are still left on the sidelines. The purpose of this project was to analyze development schemes that aim to aid and empower Third World Women through microfinance programs—the new buzzword of economic development. During that process, I have critically addressed development programs and the integration of gender and cultural specificity. In addition, my analysis has led to useful conclusions on the use of microfinance programs under neoliberal economic policies and how that impacts the female clients of microfinance.
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Chapter 1: Introduction

According to some Western economists, such as Joseph Stiglitz, economic growth in developing nations is necessary to ensure political and social prosperity (Stiglitz, 5). Within a developing nation, however, fostering economic growth is not as easy as Westerners like Stiglitz imagine and theorize. While economic growth may be the most important determinate of prosperity to Western economists and politicians, there are many more variables and indicators that should be taken into account when judging growth—such as literacy, distribution of wealth, and gender roles. All of these factors indicate the quality of life for a state’s citizens and provide a broader lens through which to view development. According to the UN, every day 11,000 children die of hunger around the world while 200 million suffer from malnutrition and a lack of protein and calories. More than 800 million people are suffering from hunger in the world, and some 70 percent of them are women and children (UN PAC). These staggering numbers demonstrate the fact through the 20th and in the beginning of the 21st century; economic determinations should not and cannot be used to indicate growth or well being.

Since the United Nations Decade for Women (1976-1985), researchers and policy-makers have paid special attention to women in development. Previously, women were considered an important but often invisible element in the economic and social development of their countries. The research conducted during and since the Decade for Women has moved away from a traditionalist approach that was preoccupied with women’s role within the family, and instead focused on the issues surrounding women’s entrance into formal employment. This research shifted from primarily creating welfare-
funding and family-oriented programs, which assumed and reinforced the notion that a woman’s most important role was to be a mother. Newer research appealed to a spectrum of approaches that addressed the economic role of women in society (Moser, 71-77).

Western economists, politicians, and feminists have worked to find ways to eliminate poverty in developing countries by specifically focusing on women. In the 1970’s, the “women-in-development” approach was first coined by the women’s chapter of the Society for International Development in Washington, DC. This approach formed the basis of the United States Agency for International Development’s (USAID) rationale that women are an untapped resource “that can provide an economic contribution to development” (Moser, 84). In 1984, USAID and its Office of Women in Development, teamed with the Harvard Institute of International Development and produced a case study based methodology to identify how women had been left out of the development planning process and subsequent programs on the grounds, and asserted that “women are key actors in the economic system, yet their neglect in development plans has left untapped a potentially large contribution” (Moser, 112). In the last ten years, global development organizations such as the World Bank and the International Monetary Fund have applauded women’s potential contributions to economic development and have urged their staffs to utilize women in their development schemes.

Many governments and non-governmental agencies have chosen to use micro lending as an intervention tool in their efforts to fight poverty. The Grameen Bank and its founder, Muhammad Yunus, first began providing microcredit, or small, low interest loans to poor people living in Bangladesh in 1983 (Grameen Bank, 12/29/09). In
addition to fighting poverty, Western organizations have used micro lending programs as
a way to promote gender equality and empowerment amongst women in developing
nations. The micro loan movement has gained much popularity over the past twenty
years. In 1997, officials at the Micro Credit Summit anticipated reaching over 100
million of the world’s poor by 2005 through micro loan programs (Sharif, 223).

While the “women-in-development” approach has been used by government,
supra-government national organizations, non-governmental organizations, Third World
feminists have argued that the approach is a neo-colonial attempt by Western feminists
and non-feminists to “liberate” all Third World women. Through this process, “women-
in-development” programs attempt to indoctrinate non-Western women into dominant
modes of Western thought, ideology, gender norms, and experiences. Scholars such as
Beneria (2003), Nawal El Saadawi (1977), and Kumari Jayawardena (1986) have
generated a retooling of traditional Western feminist thought by challenging the
assumption that all women are the same, that it is critical for feminism to consider race,
class, gender, citizenship, and cultural differences between women. Specifically, Spivak
has argued continually that feminism must consider specific histories of Third World
women in its account of women’s oppression (Morton, 71). The work and critiques of
Third World feminists highlight the ways in which the “women-in-development” model
misses the individual stories, experiences, needs, and lives of women in developing
countries who are the target of so many development schemes, most notably micro
lending programs. Frederique Apffel-Marglin argued that the women-in-development
model that has been adapted “posits an essentialized universal subordination of women, and development as the vehicle for eradicating male dominance” (Apffel-Marglin, 34). She and other Third World feminists believe that the women-in-development model reiterates a classic binary between Western women and women in the Third World—a binary opposition between the civilized, emancipated, liberated, autonomous Western woman and the oppressed, backward, Third World woman who is bound by tradition and kinship (Apffel-Marglin, 34).

The clear divide between Western feminists and economists and Third World feminists and scholars illustrates the need for further research on exactly how the Western women versus Third World women binary is created, sustained and maintained and how neo-colonial imperialism is transferred via development, and specifically, micro lending programs. For my research project, I will be researching the theory and rhetoric of feminists and women in development projects, delving deeper into the effectiveness and uses of micro lending programs by Western development organizations. This research is critical for future practices of economic development with specific interest in women. If dominant development schemes and theories based in the “women-in-development” and microfinance model are maintained, development will continue to disadvantage and exploit women in the global South and East. If governments and organizations continue to reinforce a Western women and Third World women binary and use microfinance as a neoliberal tool to “aid” the world’s poor women, development programs that actively work with individual women’s needs and lives will never be made.

This thesis will examine the ways in which development programs from the West interact and dialogue with Third World women and will investigate how effective micro
finance is from a feminist research perspective. I will address the ways that micro finance programs have been and can be used as a neoliberal tool to impart more burdens on poor women. Then, I will examine the methods, language, and decision making processes of women-focused US organizations that have substantial international micro-lending programs. Micro lending programs have been expanding since the early 1990’s and even now, with the global credit crunch and US economic crisis, more and more micro-loan applications are being accepted. Through this examination process, the goal is to identify if the micro-lending programs I research fuel and engage in Western imperialism and neoliberal activities and to question the very project of “lending” and “entrepreneurialship.” Ultimately, I will design what a non-Western imperialist lending program might look like.

My methodology for this project will consist of a textual analysis of the necessary feminist theory texts—global feminisms, Third World feminism, and feminist ethics—as well as scholarly work in the field of economics and international relations and development. I will be focusing my theoretical examination on Global feminist theory and the theory of economic development and international relations.

After a thorough understanding of the theoretical implications of international development and women and micro finance, I will highlight information gathered from my interviews with US-based micro lending programs. For my interviews, I have conducted semi-structured interviews with staff members at three US-based non-governmental organizations who engage in micro lending to women in the Third World. These interviews have been recorded and transcriptions used to critically deconstruct the rhetoric, methodologies, and decision making processes of these organizations to see if
and how Western feminist imperialism and neoliberalism is being transferred through the micro lending programs.

I chose specific organizations that, from the initial research, have differing strategies for their lending programs. Interviews with professionals in the micro-lending organizations were used extrapolate various methods, language, and decision making processes. I selected these individuals by first asking the organization for permission to interview a senior staff member with detailed knowledge about the micro lending program. When the organization granted me permission, I contacted that individual and after the initial interview, asked them if there are others within the organization I should speak to. The participating organizations will be given a final edition of the report.

In addition, literature on feminist ethics, global feminism, rhetorical studies, and development programs were to infuse and highlight the research and final thesis product. In my research, I incorporated several research tools from feminist research methodology. My textual analysis focused on feminist rhetoric and global feminist theory as well as neoclassical economic theory. In doing this textual analysis, I have used a feminist research technique of deconstructing the text to not only see what is visible, but to also identify what is “missing, silenced, or absent” (Hesse-Biber, 229). I have used an interview process in my case studies that has allowed me to be reflexive of my personal positionality and that of the respondent. I have been mindful of my role in the researcher-researched relationship. My research on micro lending programs and the transference of Western imperialism and neoliberalism on to Third World women has feminist methodology at its heart. My project’s goal has been to research “an
understanding of women’s lives and those of other oppressed groups, research that promotes social justice and social change” (Hesse-Barber, 117).

I chose to investigate three organizations that participate in a micro lending program to identify their decision making processes, rhetoric surrounding Third World women, and if and how Western imperialism and neoliberalism is transferred via the micro loan. As Robert Yin states, “the essence of a case study, the central tendency among all types of case study is that it tries to illuminate a decision or set of decisions: why they were taken, how they were implemented, and with what result” (Yin, 24). I have applied Yin’s work on case studies to help me understand the decision making processes of the three micro credit programs and organizations I have chosen. Through the case study process, I will be able to delve deeper into the organization and specifically address each case with my critique, as opposed to combining all three and addressing them as a homogenous group.

Within my research, I used the case study methodology to do an in-depth study of a specific organization that will then be used to highlight how my theoretical analysis can be applied to society at large. Case study methodology has been an effective tool in feminist research methodology. Christine Williams argues that “the case study is a tool of feminist research that is used to document history and generate theory. It defies the social science convention of seeking generalizations by looking instead for specificity, exceptions, and completeness” (Williams, 225).

I have chosen WomensTrust, Development Alternatives Inc., and Freedom from Hunger as sites for my interviews. The interview process has allowed me to better understand each organization’s methods—how they find applicants, how they earn
money to loan, what other services are provided to the loan applicants, what, if any, conditions are applied to the loan, how do they account for exchange rates, how do they deploy language—how do they refer to the loan applicants, does their language validate Third World feminist theories about Western feminist’s use of language as “othering”, how they respond to criticisms that micro lending programs re-enforce gender roles, and decision making processes—who decides what loan applicants get loans, is that decided through qualitative or quantitative methods, what determines a “successful” loan. Mostly, the interview process has been used as a guide for “best practices.” I have asked each professional practitioner their own view on micro finance and what they see as the future of the development tool.

The goal of this project is not to tear down or negate the importance of successful micro finance programs. Providing capital and loans in rural communities and geographies that have been forgotten and ignored by the global banking community is a necessity for people surviving in a global economy. However, I felt it was also necessary to investigate and report on the ways development programs and micro finance have been used improperly. Some development programs have painted all Third World women with the same brush, leaving no room for personal story, needs, or economic interests, micro finance programs have relied too much on repayment statistics, which has erased women entrepreneurs’ ultimate goal of success, sustained wealth, and empowerment. In addition, the West as long celebrated micro finance programs for their individualist and entrepreneurial spirit. For example, The Kauffman Foundation of Entrepreneurship wrote a biography of Geoff Davis, President and CEO of Unitus, a venture capital firm that invests in microfinance institutions. In the biography, a staff member who chooses which
microfinance organizations to invest in said, “People who borrow from these organizations really want to grow. We often think of poor people as lazy. In fact, these entrepreneurs are smart and have a strong work ethic. All they need is an opportunity” (Kauffman Foundation, Davis biography, 12/29/09). At the same time however, the West has ignored the ways in which microfinance has been used as a neoliberal tool to end social services and force women into an even deeper double burden—a third shift, as women are now including entrepreneur and providing services that the state once administered to their role as provider and mother. This report is aimed at development practitioners, microfinance administrators, non-governmental organizations, and government agencies and representatives. Hopefully, this spawns a dialogue among these development decision-makers to bring about a better, richer, and more nuanced understanding of these practices and their true impact on Third World women.
Chapter 2: Gender and Development: Integration, Critiques, Challenges

On International Women’s Day 2009, World Bank President Robert B. Zoellick focused on gender equality as the keystone of economic development. He said, “As staff set about rebuilding economies in both developed and developing countries, they ignore women empowerment issues at a cost. Women can be the agents of change. Investing in women and girls is not only the right thing to do, but also the smart thing to do” (World Bank, 3/26/09). The focus on women and girls in economic development has brought a lot of attention to the gender dimension in development projects. Previously, development specialists would be focused on building a road to a market, but would not think about how the project would impact women. Now, gender specialists are hired throughout the development profession to train others and to provide guidance for development projects so they can improve the lives of men, women, girls, and boys.

Feminists have critiqued the economic development practices of the World Bank, IMF, and USAID among others. Their criticisms have led to the implementation of a new world view—a view that women are economic agents that must be taken into consideration when development projects are started, when they are implemented, and throughout the evaluation and monitoring stages.

Feminist development specialists have highlighted how various gender myths have been perpetuated in development projects and interventions. Srilatha Batliwala and Deepa Dhanraj have argued that by judging their own and other’s development work,
they have been able to locate gender myths that have infiltrated the development practice. One myth, they say, is that giving poor women access to economic resources, like credit, leads to their overall empowerment. Recently, the newest “fad” of development has become micro credit programs specifically targeted at women in poor countries. Women form collective groups instead of using assets as collateral and they are given small loans to foster their personal entrepreneurial interests. Because micro credit programs are targeted at poor women who have no assets, they must form collective groups—typically of four or five women. The collective is used as collateral by the micro credit institution. If one woman cannot pay back the loan on time, then all the women are responsible. Not only does this strategy provide a peer-pressure incentive for the women to work to repay the loan, but micro credit institutions will use the collective group to provide training and support services. Batliwala and Dhanraj argue that while the loans offered financial assistance in the short term, typically to repay old debts or school fees, the micro loans actually imposed a greater burden on the women who accepted them. It is fairly common for husbands to use the loan money for personal gain, leaving the women to be responsible for repayment—and if she cannot repay she is either threatened by physical violence (most local collectors for NGOs are encouraged to produce results, and the NGO wants to be successful and wants to show that 100% of the loans are repaid) or they are encouraged to take out more loans, creating a cycle of debt (Batliwala and Dhanraj, 2007).

As was stated previously, the recent interest in micro loan programs directed to poor women is based upon the belief that women will use the loan for their entrepreneurial interest, then place their goods in the market and enter into the formal
economy. Leaving behind the criticisms of micro loan programs, it is equally important for feminist development specialists to critically investigate the market and how the market and entrepreneurship is impacted by gender. Lourdes Beneria’s seminal work Gender, Development, and Globalization: Economics as if All People Mattered included the market as a gender-segregated space. The idea of the market as a gender-segregated space is critical to my understanding of development programs that target and hinge upon Third World women’s success in the local and global marketplace. In some communities, women might not have access to the market under local gender norms. In other localities, women might not have access to transportation to get to the market or the time needed to be away from the home to sell their goods. On the global scale, Third World women’s goods are typically sold as a development scheme. In grocery stores, specialty stores, and on the internet, global customers can by an array of women-specific goods including, pottery, hand crafts, or knitting done by a poor woman in a remote area who is being supported through an international development organization. If a customer buys a particular hand craft, they feel and believe they are directly contributing and “helping” a poor woman in the global South. With the emergence of the internet and globalization, a woman knitting in Africa now has to compete with an Ecuadorian woman selling leather goods.

Even with the deepening market relations, Lourdes Beneria states that a large population, a majority of them women and girls, engages in unpaid labor that is “only indirectly linked to the market” (Beneria, 76). Most of the unpaid labor includes agricultural work and domestic labor. In 1995, the UN estimated that if unpaid activities were valued at prevailing wages, they would amount to $16 trillion, or 70 percent of the
world’s output. Of that $16 trillion, $11 trillion would represent women’s work. Because much of the unpaid labor that women engage in is for use and consumption, rather than for exchange in the market, the market does not incorporate women’s unique and varied role. Beneria also contends that biological determinism has regulated the public sphere, so that the market is perceived as male space and the domestic/private sphere as female. Beneria argues for a newly conceptualized marketplace that incorporates all genders and opens the door to new ways of imagining economics and the market. Beneria states that this would “place human activity at the service of human or people-centered development and not the other way around—to reach an era in which productivity and efficiency are achieved not for their own sake but as a away to increase collective wellbeing” (Beneria, 88).

The focus on poor women in developing countries, specifically African countries, by government agencies and NGOs has led to a singular image of African women. Because NGOs and development agencies live and die by the hand of donors, they must advertise who they are trying to benefit. In the case of African women, a single image of a poor woman, alone or with a young child, with a basket in her hands or on her head, walking down a desolate dirt path is often used. The women in the image, her personal story, history, desires are erased. Instead, her story is every African woman’s story—there is no room for specificity, no place for individuals. Everjoice Win, an African feminist and development specialist, believes African women can no longer be construed as a homogenized group. She states that because the HIV/AIDS has reached all social classes, economic groups, and cultural communities, African women Win worries that her voice is lost because she is in the middle class, not the poor rural woman
development agencies like to promote. “The middle-class woman is completely silenced and erased from the images of development and rights work…Her story and her experiences are not part of the narrative. In essence, this means women’s lives are put in a kind of league table it is those that qualify which get addressed” (Win, 2007). Win’s work critically addresses the need for cultural specificity and individuality when engaging in development work for women. Development agencies need to be aware that not all women have shared experiences or histories.

There are those within the development community who believe that gender mainstreaming—the process by which gender is incorporated throughout the organization’s programs, activities, and goals—is finished. They believe that gender has been so successfully mainstreamed into development practices that there is no need for specific women’s projects and divisions. Maxine Molyneux, however, contends that this is just not the case. While all reputable NGOs, development agencies, and governments have had gender mainstreaming programs for decades, little has been done and the gender tools for mainstreaming remain toothless. Molyneux points to certain development reforms such as the Poverty Reduction Strategy Papers (PRSPs) that are supposed to allow for more country ownership and independence in their poverty reduction plans. These papers ideally would have a better record on gender since gender is a key element that must be met in order for the country to obtain funding from sources that require reportage in line with the PRSPs. However, Molyneux states that a review of 15 PRSPs in 2001 found that “less than half discussed gender issues in any detail” and that another study found that issues of “gender equality, and women’s and men’s differential access to resources and opportunities, were not taken into account” (Molyneux, 2007). While
some in the development community believe that gender mainstreaming is no longer necessary, it is evident that work still needs to be done, particularly as development practices are reformed. Molyneux concludes by reminding the development community that “women are not a ‘social problem’ to be solved or a minoritarian constituency…women remain half the population and gender analysis will remain an indispensable adjunct to any programme or policy development process” (Molyneux, 2007).

Gender and feminist analysis in development practice is necessary while development agencies work to solve the current economic crisis. However, while they work to implement new strategies for economic development, they must take into account feminist critiques, such as those argued here. The continuation of harmful gender myths, the use of a gender-segregated local and global market, continually using a singular woman’s story to wash out cultural and individual specificities, and believing that no more work on gender integration is necessary are all extremely detrimental to the growth of the development community and of the women that development hopes to serve. No longer can gender and feminist development specialists be ignored. Their debates foster new ideas for development practice as well as gender theory that can be applied to countless development projects.
Chapter 3: Development Projects for Women and the Call for Specificity

Last year, while in the check-out line at my local Whole Foods Market, I was asked if I would like to donate $10 to the Whole Foods Foundation’s Micro-Lending Program. The clerk informed me that their program would help contribute to micro loans to women in Africa. He then showed me a photo on an advertisement for the program—the woman in the photo was standing on a dirt road, barefoot, and was carrying a canister of water. The advertisement boldly stated that my donation of $10 could help African women, like the one in the photo, empower themselves to bring their families and communities up from poverty. While this advertisement and campaign certainly has good intentions, both fail to realize the possible damage they do to these women. The design of the advertisement and the use of one African woman’s photo, conveys a very specific universal story to their customers, and thus expresses the struggles of all African women. Furthermore, it also assumes that through micro loans, what seems to have become the West’s only solution for poverty reduction, all African women can raise their families and communities up from extreme poverty, though one of many feminized occupations or “entrepreneurial activities” such as sewing clothes, beadwork, pottery, or cooking. The Whole Foods program is an excellent example of a development program that, on first glance is a well-intentioned program with promising results, but upon further consideration we can see that the program could ultimately do serious harm to the recipients of aid and fail to meet their goals of providing meaningful, sustainable aid to women through development. By homogenizing African women to the Whole Foods American customer, the image of a poor, single African mother is re-engrained into the
minds of Westerners. This only reiterates the need for specific cultural stories and experiences to be introduced to Westerners and development organizations. Without specificity of the women’s lives development organizations claim to want to “aid,” how can aid ever be effective? Each woman’s goals, abilities, and needs should be incorporated into the development project so that money, training, and resources can be allocated effectively. This micro loan program highlights the need for more specificity in development programs. In addition, as more and more development programs focus on women, it is critical that more attention be paid to women, as individuals, not as a homogenized group.

The need for specificity is an argument that has been considered within the development community before. The Washington Consensus, once hailed as the key to ending poverty, is now a damaged brand. It created a “one size fits all” model for development policies without consideration for country-specific context or needs. This development practice was used by the World Bank and IMF, and until very recently was thought of as the backbone to development practices. The Washington Consensus was based on market-driven capitalist development that included a set of policies that have become well known in high and low income countries (Beneria, 2). Joseph Stiglitz stated that the Consensus believed that “growth occurs through liberalization, ‘freeing up’ markets” (Stiglitz, 67). The Consensus included a list of practices such as market deregulation, government budget cuts, lack of government intervention in the market, trade liberalization, and privatization of public industries (Stiglitz, 67). I will argue that the Washington Consensus was used as a “one size fits all” model for development and how that posed dangerous outcomes for the recipients of aid. Then, I will discuss how
feminists, both Western and Third World, have been debating how to navigate each other and development programs. This chapter will argue that Western development organizations, governments, and feminists have created a distinct image of what and who development recipients are and how that can only have negative effects on both development programs and their intended beneficiaries.

Development practices from the West have been criticized for not recognizing the specificity needed for successful development programs. Beneria has written about the homogenizing tendencies and practices of the Washington Consensus, a capitalist program used in the last two decades by development agencies. The US government, The World Bank, and the IMF all helped shape the Washington Consensus and boasted the “free market revolution” (Beneria, 4). As development and globalization moved across markets, researchers and practitioners turned south to “look for a set of homogenizing business practices that would be the recipe for success in an increasingly standardized economy” (Alsua, 2).

In the creation of the Washington Consensus, none of the developing countries were consulted, even though it was meant to be adopted by them. The Consensus created a “one size fits all” model for developing countries to adopt their policies. Naomi Klein’s text *The Shock Doctrine: The Rise of Disaster Capitalism*, discussed how developing countries were compelled to adopt the Consensus under economic and political pressures, creating situations where there was no clear alternative than to fall in line (Klein, 7).

Joseph Stiglitz, a former chief economist at the World Bank and one of the organization’s most reputable and vocal critics, argued that the IMF used a “one size fits all” approach to country development and assistance. Stiglitz argues this is problematic,
particularly in relation to developing countries and countries in transition, because so often IMF economists developed models from contexts in which no unemployment was present. Stiglitz writes, “while these models might provide some amusement within academia, they seemed particularly ill suited to understanding the problems of a country like South Africa, which has been plagued with unemployment rates in excess of 25 percent since apartheid was dismantled” (Stiglitz, 35). Similarly, aid effectiveness expert Elliot Berg has argued that one of the most common problems with aid agencies is failure to respond to country specific conditions. “The main donor weakness has been inflexibility, a sluggish response to emerging implementation difficulties, and an inability to tailor programs to the special features of low income country environments” (Berg, 301). Forgoing country specific details and inflexibility is what has caused so many, large and small, development projects to fail. When these programs fail, donor morale falls and the recipients of aid are left behind. It is critical for the successful implementation of development projects that recipient countries are included in the development process and their specific culture, context, and needs are expressly addressed.

Recently, there has been acknowledgement by those within the World Bank and IMF that a retooling of the Washington Consensus is necessary. Stanford University professor Michael Spence was chosen to lead 21 members of a “Commission on Growth and Development: Strategies for Sustained Growth and Inclusive Development.” In 2008, the Commission submitted its report. The Spence report “hesitated to claim that liberalization, deregulation, privatization, and free market would accelerate the rate of growth and bring prosperity. They have also realized that ‘one size does not fit all.’ Thus
the prescription should be suitably altered taking into account specific conditions of the
country to which it is going to be applied” (Mirsha, STWR).

Slowly, the development community has been vocalizing the need for specificity
in its objectives and programs. Countries, cultures, and communities need to be
researched, visited, listened to, and included in the development process for any real
change and improvements to be made. A “one size fits all” approach clearly is not
appropriate and should be considered potentially dangerous to recipient countries. While
progress has been made in the development world with regards to inclusion and
individuality, it is evident through feminist scholarship that not enough specificity has
been implemented in development projects and Third World feminists continue to call for
a less homogenized view of non-Western women.

Development focused on African women portrays its intended subjects as poor,
alone, hard working, and destitute. African women have been canonized into a single
subject who is in need of global development funds and projects aimed at bettering her
circumstances. American consumers see one African woman and immediately believe
that they can understand her story and help her out of poverty by giving her money. In
the West, money has long been the answer to any problem. An example of this is the
World Bank’s website on gender and development. The page opens by repeating four
photos of women and one of a group of children. All the women in the photos are alone
in the frame, except for one, that holds a naked infant. The women in the photos are
either sewing, sitting amongst their hand crafts and goods, taking care of a child, or in
rural Africa. The tale of this single African woman has been sold to development
organizations, governments, and consumers to ignite a financial- giving spark. But as
feminist scholars have articulated, using a singular image to represent all African women is indeed not only dangerous but also ignorant of the multiplicity of women’s lives, experiences, and in terms of development, needs. By using a monolithic image of African women, development projects risk not seeing the specific needs of other women and will ultimately fail to accomplish lasting development.

Western feminism has been critiqued for being too Western-centered and not accounted for Third World women and feminists. Third World feminists have critiqued the way Western feminists use the term “Third World women” to incorporate all non-Western political, geographical and socio-economic spaces into one indiscriminate group. Also, Third World feminists argue that Western feminists use the term “Third World women” as an other-ing tool that creates a duality and oppressive structure. I have chosen to use the term “Third World” women or feminists as a way to characterize the ways in which women in the global East and South have been marginalized and homogenized. Through the use of this term in this context, it is helpful to underscore how Third World women have been grouped and corralled into ways of knowing by the West, by Western feminists and development organizations.

The term “Third World” originated in 1955 by countries emerging from the “old” world. Spivak writes:

“…the initial attempt in the Bandung Conference (1955) to establish a third way—neither with the Eastern nor within the Western bloc—in the world system, in response to the seemingly new world order established after the Second World War, was not accompanied by a commensurate intellectual effort. The only idioms deployed for the nurturing of this nascent Third World in the cultural field
belonged then to positions emerging from resistance within the supposedly “old” world order—anti-imperialism, and/or nationalism (270).

As Spivak states, the term “Third World” was crafted after World War II to describe the countries and cultures that were emerging from the “old” world, a world not developed by the war-making machines of the twentieth century. This “old” world or “Third World” was and is seen as “backwards” or “in need.” In developed countries, the “Third World” is seen as in need of “aid,” and “help” because the people of the Third World cannot possibly have the capacity for nation building on their own. It is assumed in the post World War II order that the “Third World” will be forever in need of the developed world.

Catherine Johnson-Odim explains in “Common Themes, Different Contexts: Third World Women and Feminism”, that the term “Third World” is used in two ways. First, it is used to refer to “underdeveloped geopolitical entities” which can include countries, regions, and continents. Second, Johnson-Odim states that “Third World” is used to refer to “oppressed nationalities” who are residents of “developed” Western countries (Johnson-Odim, 314).

Chandra Mohanty, a US Third World feminist, discusses at length how she defines the term “Third World”. She states that you can define “Third World” geographically as well as ethnically/culturally: “the nation-states of Latin America, the Caribbean, Sub-Saharan Africa, South and South-east Asia, China, South Africa, and Oceania constitute the parameters of the non-European third world. In addition, black, Latino, Asian, and indigenous peoples in the U.S., Europe, Australia, some of whom have
historic links with the geographically defined third worlds, also define themselves as third world peoples” (Mohanty, 5). Mohanty goes further to suggest that the term “Third World Women” can also mean “women of color” because both sets of women have a common context of oppression by Western hegemony. But Mohanty also stresses the importance of there being no singular categorization for “Western feminism” and “Third World feminisms.” Mohanty instead uses “Third World women” as an analytical and political category, instead of a group based on race, gender, or nationality. She does not categorize Third World women this way because there are different cultural and specific societal contexts for all women (Mohanty, 49). Mohanty’s critique of what “Third World Women” can be defined or re-defined as is critical to understanding women in development and microcredit since a majority if not nearly all development and microcredit programs are targeted at women in developing countries or the “Third World.” By bringing a deeper understanding through Mohanty’s work, a new lens is imagined through which to comprehend the varied experiences, cultures, and communities that make up women in the “Third World,” and thus bring about more meaningful, individual development programs.

Cultural, historical, political, and society specificity is central to understanding and navigating any group. Third World feminists argue that Western feminists have consistently thought of and spoken about Third World women as a homogeneous group. This mode of thinking allows for no attention to difference or the importance of individuals. The goal of uniting feminists across geographic, cultural, and societal borders is a difficult task. Some argue that to do so is a seriously flawed experiment in universalizing women’s experiences. Charlotte Bunch stated that when a “universal
woman” is conjured it is “to impose a limited agenda on all women on the basis of the experience of some women—usually white, middle class, and living in the north” (Bunch, 144). KumKum Sangari argues that the term “Third World” can refer not only to specific geographical areas, but imaginary spaces as well. Sangari states that “Third World” is “a term that both signifies and blurs the functioning of an economic, political, and imaginary geography able to unite vast and vastly differentiated areas of the world into a single ‘underdeveloped’ terrain” (Sangari, 217). As Mohanty suggests and Sangari echoes, all women have different experiences, goals, political ideologies, histories, and contexts and should never be considered a monolithic entity.

Third World feminists argue that the term “Third World women” has been used to create a dichotomous relationship between the two with Third World women inferior or on the receiving end of Western women’s “help” or “voice.” In the women-in-development literature, Georgina Waylen explains, is often marked by treating all Third World women the same, whether upper class urban professionals or working class women in rural areas. The development literature advocated general solutions to perceived problems which affected women only when thought of as a homogeneous group. Waylen states that “this had the effect of removing agency from Third World women, often seeing them as passive victims of barbaric and primitive practices” (Waylen, 9). By imagining Third World women in development programs as a homogenous group with similar needs and economic desires, each individual woman’s agency is lost in a sea of universal claims. If all rural African women are thought of as a similar group with similar development needs, then each individual woman is no longer important and she then must subscribe to the imagined needs of the group. These
practices have been used as a reason for Western feminists, NGOs, and governments to intervene under the guise of “liberation” and “giving voice”.

Mohanty discusses the need to “pivot the center”—a reshaping of understanding how race, gender, class, sexuality, and nation intersect to form a world that has been born out of resistance, revolution, and liberation. “It is these contours that define the complex ground for the emergence and consolidation of Third World women’s feminist politics” (Mohanty, 44). The need for Western feminists to understand how they center Western thought and ideology within their present context is a necessary element to ridding feminism of the patriarchic systems feminists cry out against. An Egyptian writer, Nawal el Saadawi was critical of Western feminists’ lack of a critical recognition of their own global position when she said “Western women often go to countries such as Sudan and see only clitoridectomy, but never notice the role of multinational corporations and their exploited labor” (Tong, 230). If feminists and development agencies overlook or ignore an individual’s specific needs, context, or goals, their development project will fail. By not including the individuals in the development process and basing development goals on assumptions, rather than actual needs, projects will not serve the people they aim to help. Third World women cannot continue to be grouped as one, homogenous body with identical situations and development solutions. The Whole Foods program discussed in the beginning of this chapter is exemplary of this homogenization—not all African women are in similar poverty situations and not all African women can be saved by micro loans. Each woman has experiences that if included throughout the development process—proposal, implementation, and monitoring and evaluation, could aid development projects in identifying new development policies and agendas.
Specificity in development programs is the key to success for development agencies. No longer can agencies and programs afford to paint all recipient aid countries with the same brush—too many failed projects have shown the development community that a “one size fits all” Washington Consensus model does not work for all low-income countries. Cultural differences and specific contexts need to be included in the development process for any kind of real change to occur. Similarly, Third World feminists have been arguing for Western feminists and development experts to see them as individuals, not a homogenized group. While it may be easier for development agencies and programs to use an all-encompassing image or story to depict all African women’s experiences, they risk doing tremendous harm to the women and to their development project. By ignoring an individual’s needs and assuming another program is better suited, their development goals will be lost and will not ultimately serve the people they wish to aid. Development agencies and programs must work with recipient countries and individuals—not homogenized groups—to identify new projects and goals to address poverty. Only then, when low-income countries are included in the process and people are listened to, will development agencies and programs succeed.
Chapter 4: The Effectiveness of Micro Lending Projects for Third World Women

Millions of dollars of aid have been directed to NGOs to provide small loans to tens of millions of individuals, typically through small-group organizations. In 1997, the United Nations General Assembly noted that in many countries micro credit proved to be an effective tool to free people from poverty. Former World Bank President James Wolfensohn said that micro credit is “a particularly effective way of reaching women.” The UN Secretary General Kofi Annan called micro credit “a critical anti-poverty toll for the poorest, especially women,” and Hillary Clinton pointed to micro credit as “a tool that will help poor women ‘survive globalization’” (Scully, 2009).

Much of the first research on micro credit was done on the Grameen Bank in Bangladesh, which by 2005 had provided credit to over five million people, over 95 percent women, in programs with low interest rates and high rates of repayment (Riddell, 2007). The Grameen Bank’s program is based on voluntary formation of small groups, typically 5 people, to provide mutual, moral binding group agreements in lieu of the traditional collateral required by conventional banks. At first, only two group members can apply for a loan and depending on their repayment progress, the next two group members can then apply and then, subsequently, the fifth member as well. The Grameen Bank makes an assumption that if borrowers are given access to credit, they will be able to identify and engage in viable income-building activities such as pottery, weaving, and sewing. Women were initially given equal access to micro loans and proved to be reliable
borrowers and entrepreneurs. The women in the micro credit programs have raised their economic status, lessened their dependency on their husband’s wealth, and improved their homes and the lives of their families. Today, 90 percent of the Grameen Bank’s borrowers are women (Grameen Bank, 2009).

When measuring the impact of micro credit on women’s empowerment or livelihood, there are methodological challenges to any study. Anne Marie Goetz and Rina Sen Gupta wrote, in their study of the effect of micro credit programs on women’s empowerment in Bangladesh, that all studies addressing micro credit effectiveness and empowerment are impacted by methodological problems, including how a study measures empowerment, an ideal consisting of several indicators, each of which could vary from individual woman, villages, and cultures. “Whether investigating income or empowerment effects, it is difficult to isolate the effect of credit from other variables such as group membership or training” (Goetz, and Gupta, 1995). Respondent memory recall on changes in household income may be weak in reporting over a long time period, especially in areas where women are illiterate or where records are not kept. In addition, women’s credit often enters general household funds and is used for many purposes, making it difficult to filter out the exact rate of return on an activity or loan (Goetz, and Gupta, 1995).

In 1996, Syed Hashemi, Sidney Ruth Schuler and Ann Riley conducted a study on the Grameen Bank and the Bangladesh Rural Advancement Committee (BRAC), two rural credit programs operating in Bangladesh concluded that micro lending programs are effective and do empower women. The study used a combination of ethnographic and sample survey data to measure the effects of the two programs on eight indicators of
empowerment. For the purposes of this particular study, empowerment was measured by strengthening women’s “economic roles, increasing their ability to contribute to their families’ support,” the ability to control their assets and income, “helping them establish an identity outside of the family, and giving them experience and self-confidence in the public sphere” (Hashemi, Schuler, and Ripley, 1996). The authors of the study emphasized how difficult it was to create valid and reliable measures of empowerment since it can vary between and among women. The authors wrote, “Behaviors and attitudes that might be used the measure women’s empowerment in one society may have no relevance in another” (Hashemi, Schuler, and Ripley, 1996). In the study’s methodology, the authors asked 1,300 women involved in the Bangladeshi-based microcredit program a series of questions related to a variety of different aspects of empowerment that were developed through observation, personal interviews with microcredit participants and microcredit program staff (Hashemi, Schuler, and Ripley, 1996). The Grameen Bank and BRAC, at the time of this study, were the two largest and best known NGOs providing credit to the rural poor. The Grameen Bank had approximately two million female members and works in half of all the villages of rural Bangladesh, while BRAC had approximately 500,000 female members and were still cultivating specific men’s groups as well as women’s. The study indicated that both Grameen Bank and BRAC operated in similar ways—both employed large numbers of field staff, mostly young men, who lived in the areas where they worked. In order to be eligible to receive credit, both organizations ask women to organize into small groups—there is no collateral but the group is responsible to ensure that each member repays her loan. Each individual woman is required to save a specific amount and loans are repaid
at weekly meetings. Both the Grameen Bank and BRAC require that new clients attend training courses in which clients learn the Grameen’s “Sixteen Decisions” having to do with self-improvement, social reform, and community development. Similarly, BRAC has “Seventeen Promises” that clients must learn (Hashemi, Schuler, and Ripley, 1996).

Ethnographic data was taken via interviews, participant observation, and structured surveys from villages where the Grameen Bank and BRAC were active and where they were not. The survey was taken of 1,300 married women under the age of 50 who had all been participating in a Grameen or BRAC program for at least 18 months. The surveys were conducted by women and questions included women’s roles, reproductive control, and women’s status within the community and the home (Hashemi, Schuler, and Ripley, 1996).

The study’s conclusion stated that, “Both programs significantly influence women’s economic security, ability to make small and large purchases, political/legal awareness, and contribution to family support” (Hashemi, Schuler, and Ripley, 1996). However, with respect to women’s control over the loan and their earnings, “all women who receive a loan gain access to additional resources, even if their husbands appropriate the money, but not all women succeed in controlling their loans and using them to generate independent incomes” (Hashemi, Schuler, and Ripley, 1996). The study stated that this could be due to the fact that most credit is not used exclusively for women’s enterprises. “Grameen Bank and BRAC loans often are invested in more profitable family enterprises or enterprises run by male family members, where cash transactions typically are conducted by men where visible incomes are attributed to men” (Hashemi, Schuler, and Ripley, 1996). Only 10 percent of BRAC members and 9% of Grameen
Bank members said they used all of their loans exclusively to finance their own economic and entrepreneurial activities. The study concluded that micro lending programs are “more effective than programs that profess to combat gender inequality more directly, both in its demonstrated ability to reach poor women in large numbers, and in its potential to empower women” (Hashemi, Schuler, and Ripley, 1996).

While there are several voices calling micro credit programs a significant success, there are others claiming that micro credit needs to be further examined before it can be touted as such a success. Anne Marie Goetz and Rina Sen Gupta’s study on the proposed impact of micro credit on women’s empowerment states that the focus of micro credit programs,

“[i]nvolves an implicit assumption that easing women’s access to credit translates unproblematically into their control over its use. Economic empowerment, however, is not as straightforward a process as this; gendered power relations within the household affect the distribution and use of cash resources, and may undermine women’s capacity to retain control over the way a loan is invested or profits used” (Goetz and Gupta, 1996).

This statement from Goetz and Gupta is critical. In their opinion, their study concluded that to believe that access to credit will alleviate women from social injustice and empower them is a false dream. As they stated, economic empowerment is a complex and strategic goal that cannot be fulfilled simply by money or access to credit. Social norms, inside and outside the household, persist with or without credit. While some women may...
find that access and control over credit and household finances may balance the family power structures, it is not the case for all clients of microfinance.

In 2008, Jason Cons and Kasia Paprocki of the Goldin Institute reported their findings on microcredit programs in Bangladesh. Their story outlined the dangers of using microcredit as a “silver bullet” for development programs and poor women’s empowerment. Their research was conducted through unstructured interviews with landless laborers, men and women, living in Arampur, a northern village in Bangladesh. Cons and Paprocki state that because the rate of loan repayment is often used as a marker for success, donors have been quick to pour more money into microcredit programs and away from other necessary social service programs. Muhammad Yunus, the founder of the Grameen Bank, has argued that high repayment rates indicate that loan recipients are “both using their loans productively and learning financial discipline by adhering to repayment schedules to remain eligible for additional loans” (Cons and Paprocki, 2008). As the founder of the Grameen Bank however, Yunus clearly has a financial and personal stake in the appearance of the success of microfinance. However, the study showed that because of the vulnerable position of people living in poverty are in, coercion, extortion, and violence were commonplace to get them to repay their loans. Cons and Paprocki reported that residents said it was not uncommon for field officers to resort to physical violence and sexual abuse. Loan repayments become a high priority for the clients and rather than empowering the individuals, repayment “creates an environment of fear and intimidation where recipients must regularly sacrifice basic needs to meet an inflexible repayment schedule” (Cons and Paprocki, 2008).
Because poverty reduction is central to development practices, Cons and Paprocki also examined how successful micro credit had been in Bangladesh in alleviating poverty. NGOs state that micro credit programs will work to break the cycle of poverty and the poor can achieve self-sufficiency by providing cash loans for necessary “productive assets.” These assets, typically crops, livestock, and durable goods, then provide the basis for entrepreneurial ventures so that the clients can earn more income. However, Cons and Paprocki found that respondents had experienced a much different scenario, where micro credit produced a dependency on the loans and trapped them into cycles of debt. “With eight micro loan providers in a village of approximately 1,500 households, it is fairly common for households to have upwards of four loans at any given time…It is common to cover old debts by taking out new loans, often with the encouragement of field officers. These recipients frequently find themselves in positions of greater dependency and reduced self-sufficiency” (Cons, Paprocki, 2008).

The study also critiqued the claim the micro credit programs work to empower women and promote gender equality by elevating women’s status in the home and community. The interviews found that while women were the targets of micro credit programs, they were “conduits” rather than users of credit and women continued to lack access or control over their assets. One respondent said, “Women take micro credit as their husbands order them to do so. When their husbands fail to pay the installment, then NGO workers abuse the women a lot. Women have to bear the pressure coming from both sides” (Cons, Paprocki, 2008). Specifically in Bangladesh, one of the early goals of micro credit was to free women and families from the “burden of a dowry.” The study stated that respondents in villages across Bangladesh said that micro credit actually
strengthened the dowry system by inflating dowry prices. Cons and Paprocki found that, “Numerous respondents used their loans to pay for their daughter’s dowries, often requiring multiple loans to cover the costs.” (Cons and Paprocki, 2008).

In his article “Hype of Hope: The Worrisome State of the Microcredit Movement,” Thomas Dichter takes a critical look at microcredit and argues that it has possibly done more harm than good, particularly for Third World women. Dichter states that while the promise of microcredit is “irresistible,” its impact on poverty reduction remains to be seen. Much of this could be attributed to the high number of newcomers to the microcredit field, development practitioners who have heard of the success of microcredit, who “trumpet success prematurely, and may cause more harm as help” (Dichter, 2006).

Dichter continues to highlight the ways microcredit could be problematic. First, he says there are unreasonably high expectations and there is not convincing evidence that shows how microcredit can lead to strong local economies. Dichter agrees that the movement for microcredit has good intentions to enrich cash flow and empower women, but concludes that these are less than the serious long term economic changes that are claimed and they are not the same as long term growth, productivity, and job creation. James Surowiecki also concluded that microloans make poor borrowers better off, but on their own, microloans often don’t do much to make poor countries richer (Surowiecki, 2008). Furthermore, Dichter asks if “microcredit results only in making the lives of the poor a bit less terrible, or helping just a few real entrepreneurs, is that sufficient reason to laud it?” (Dichter, 2006). Richard Rosenberg echoed Dichter’s sentiments when he said, “It is notoriously difficult and expensive to quantify household benefits resulting from
financial services and to demonstrate causality, so it is not practical for most projects to produce such impact studies.”

Another key criticism of micro credit is that it is often used to help the poor smooth over an unexpected crisis or family need instead of what its supporters claim it does—function as capital aimed at increasing returns to a business activity. Most micro credit clients are “helped” by micro credit, but research shows that often borrowers cannot progress very far because their market is too limited and they only have enough turnover to keep buy and selling, and might have with or without micro credit (Dichter, 2006). Often, the loans are diverted to consumption since they can use the large sum of the loan. In most cases, for women with an unexpected income, if it is not controlled by her husband, will spend the money to repay old debts or invest in her children, rather than invest it in her own entrepreneurial interests. Since the mid 1990s research on microcredit use has found that it often goes to “help the poor smooth consumption over periods of cyclical or unexpected crises…” (Bennett and Cuevas, 1996).

The rising hype of micro credit is, then, counterproductive and dangerous. Most micro credit organizations want to convey economic success and effectiveness. Websites promoting micro credit programs often use phrases like “effective,” “powerful,” “long term,” and “self sufficient.” Where women are concerned, the word “empowerment” is used frequently. I believe this is due to a Western and Western feminist goal to promote individuality and an American-idealized notion of feminist liberation. Websites targeted at wealthy donors use the word “empowerment” to invoke American idealism of “pull yourself up by your own bootstraps” success. Where women are concerned,
“empowerment” is used to conjure feelings of liberation—women in the global South and East must be liberated and “empowered” the same way American women were.

Dichter argues that micro credit only changes poor people’s lives marginally, and “it is a stretch to go from the modest micro credit impacts that emerge from the little serious research we do have to suggesting...that road side sellers of a few bananas, used clothes, a few tea bags, or even 50 kilos of rice, are budding entrepreneurs standing at the threshold of participation in the wider economy” (Dichter, 2006). Surowiecki agrees with Dichter that the micro credit movement has oversold their promise and “has made us neglect the enterprises that could be real engines of macro-magic.” (Surowiecki, 2008). Both Dichter and Surowiecki believe in more permanent solutions to help reduce poverty. Dichter argues for “governments that can get their acts together and provide structures, laws, and institutions under which people’s evident interest in getting ahead in the world could be transformed into reality” (Dichter, 2006). Surowiecki states that poor countries do not need more micro-businesses, but rather they need more small to medium enterprises that are rare in developing countries because of the lack of institutions able to provide them with the capital they need. He states that micro credit has made investors believe that everyone is, and should be, an entrepreneur and has lead them to underrate the virtues of larger businesses. “To be sure, for some people the best route out of poverty will be a bank loan. But for most it’s going to be something much simpler: a regular paycheck” (Surowiecki, 2008).

While the goals of micro credit programs are note-worthy and laudable, it is clear from the empirical and qualitative research that micro credit programs have not been successful in alleviating poverty or empowering women. In 1996, after eight years of
borrowing and micro credit, 55% of Grameen households still could not meet their basic nutritional needs and more and more women were using the loans to buy food and pay off debts than invest in their businesses. In some cases, studies showed that micro credit programs had created a system of never-ending debt, instead of self sufficiency and economic success. As Anne Goetz and Rina Sen Gupta’s work illustrated, and which I have discussed above, a majority of women who obtained loans from the Grameen Bank had their loans taken by male relatives, while the women remained responsible for repayment. In their study, 22% of the women surveyed didn’t know how their husbands, sons, fathers, or brothers had used the loan and had not even been involved in the women’s enterprises. Unstructured interviews with female clients told not of success stories, but of micro credit programs bringing more fear than hope. Because micro credit’s success is based on loan repayments, field staff are guided by one goal—installment collection. Studies found that women were under the threat of violence and sexual abuse by male field staff if they did not repay their loans on time (Cons and Paprocki, 2008).

In some cases, micro credit has positively worked to empower women and provide services to the poor. Some researchers, including Hashemi, Schuler, and Ripley, documented that in some circumstances, women gained power inside the home and in the community—some even elected to political office. These success stories were often imbedded in studies that showed overwhelming qualitative and quantitative field research that showed how micro credit programs may do more harm than good. Nan Dawkins Scully, President of the Women’s Microcredit Accountability Network states in “Micro Credit: No Panacea for Poor Women,” that donors and advocates of micro credit
“consistently over-exaggerate the power of microenterprise credit and related assistance, while ignoring key structural issues that are far more pertinent to the long-term problem of women and poverty” (Scully, 2009). The attention micro credit has been given should have highlighted the above criticisms, but instead, micro credit has been seen as the “silver bullet” for reducing poverty and Third World women’s empowerment. Because these criticisms have not been examined in the mainstream media, more and more attention, and therefore donor capital, has been given to micro credit programs, which will only replicate a harmful and unsuccessful cycle. Donors and NGOs must be given truthful, appropriate knowledge of the harm micro lending can cause women and the rural poor. Tools must be allocated and a new framework should be created so that donor agencies and NGOs, flush with the cash of the West, can give money to micro credit programs that follow guidelines to ensure they do not repeat failed credit strategies and damaging traditional lending practices.
Chapter 5: Micro Finance--A Western Neoliberal Tool for Women in The Developing World

The economy of micro finance is booming. According to the 2009 Micro Credit Summit, over 3,500 micro finance institutions made loans to 154,825,825 people by the end of 2007. The micro finance loans affected more than 533 million people, including both clients and their families. Approximately 90.6 percent of the poorest micro finance clients reported are in Asia, where approximately 63.5 percent of the world’s people live on less than $1 a day (Micro Credit Summit, 2009). While these statistics are staggering, it is necessary to remember the economic conditions and context embedded at the sites in which micro finance projects operate. It is impossible to escape the fact that micro enterprises operated by poor people need more than just start-up capital. New entrepreneurs, regardless of wealth, require first and foremost, a vibrant, well-functioning domestic market for their goods. In addition, entrepreneurs need access to roads and affordable means of transporting their goods to the marketplace. They need marketing and successful tools to introduce their products to potential customers. One can only imagine how much more difficult it would be to find these requirements in the developing world. But sometimes, these requirements are overlooked by micro finance infra-structure and non-government organizations. In their efforts to empower women in the developing world via micro finance programs, some organizations and institutions have and will ignore the obstacles to success, when they are blinded by the goal of empowering women and the shining success of micro finance. This chapter will work to outline the various ways that micro finance has been abducted by neoliberalism under the guise of empowerment and women’s liberation.
To explore how Western micro finance institutions have used micro finance programs as a neoliberal capitalist tool, a discussion of neoliberalism is required. Specifically, how neoliberal economic theories have transformed the way the West injects itself into the developing world’s economies. Then, I will discuss how neoliberalism has impacted development strategies by allowing the state to place the responsibility of poverty alleviation onto the poor. This chapter will introduce a mapping of micro finance institutions that illustrates the dichotomies between benefactors and micro finance clients. Finally, I will address the ways in which a neoliberal capitalist approach to micro finance programs for women has failed the very women they claim to empower and support in the developing world in the name of advancing neoliberal policies by Western bodies and governments. Good set up and intro to this chapter.

Neoliberalism should not be thought of as one, unified theory. Rather, neoliberalism is a “complex, contradictory cultural and political project created within specific institutions, with an agenda for reshaping the everyday life of contemporary global capitalism” and the analyses of neoliberalism must be “diverse, contingent, flexibility attuned to historical change, and open to contact debate and revision” (Duggan, 70). Catherine Kingfisher echoes this sentiment by suggesting that if one analyzes neoliberalism as a unified singular notion, “we risk creating it as something that is perhaps more powerful and all-encompassing that it really is, ignoring in the process its contractions, factures, particulars, contingencies, and both dialects with and determinations by other social forces.” Kingfisher goes on to state that, “if we think of global capitalism/neoliberalism as already hegemonic, as an unstoppable force all penetrating force, we fail to see other realities, other possibilities” (Kingfisher, 164)
To understand neoliberalism and its contradictions, a basic comprehension of the tenants of neoliberalism is required. Amalia Cabezas, Ellen Reese, and Margurite Waller state in, “The Wages of Empire: Neoliberal Policies, Repression and Women’s Poverty” that the genesis of neoliberalism represented a conjunction of political and economic theories going back to the eighteenth century founder of economic theory, Adam Smith. Cabezas et al wrote that Smith “argued for free markets, unfettered by government regulation (though Smith favored government activity in many non-profit making spheres).” This is not much different from today’s version of neoliberalism, which rejects the idea that the marketplace is fallible and instead promises that the market is just, infallible, and good. Neoliberalism hinges on the idea that the expansion of free markets—markets without regulation, taxes, and tariffs—is good for the domestic and global economies. By removing regulation, opening borders, and sharing goods, neoliberal ideology claims that both domestic and global economies will blossom. Ideally, lack of state regulation and open trade allows for local businesses to engage on the global level with a wealth of new customers. However, in reality, local businesses soon realize that to compete within a global marketplace that is filled with super-corporations, they can no longer survive. In most cases, they are left with producing what the world wants—even if that means growing crops they have never grown or manufacturing products they have never constructed. Neoliberalism also proposes the abolition of government intervention in the economy while enforcing radical cutbacks to social services including, agriculture, education, health care, housing, and nutrition (Cabezas, Reese, Waller, 6).
Neoliberalism was founded by economist Milton Friedman at the University of Chicago’s School of Economics. Friedman, and others at the Chicago School, believed that by stripping away the government’s influences and manipulations on the market, true capitalism, and thus societal harmony, would exist. In 1974, Friedman defined the Chicago School at a speech to a board of trustees. Friedman said, “‘Chicago’ stands for a belief in the efficacy of the free market as a means of organizing resources, for skepticism about government intervention into economic affairs” (Bloomberg, 12/23/08). Naomi Klein, a harsh critic of Friedman, described the Chicago School of economics as the theory that government intrusion into the marketplace did “untold harm to the equilibrium of the market and the ability of its various signals to communicate with each other.” Klein went on to write that, “In the US, and in all supposedly capitalist economies, the Chicagoans saw interferences everywhere. To make products more affordable, politicians fixed prices; to make workers less exploited, they set minimum wages; to make sure everyone had access to education, they kept it in the hands of the state. These measures often seemed to help people…but the mission of the Chicago School was thus one of purification—stripping the market of these interruptions so that the free market could sing” (Klein, 64). For half a century, Chicago School’s laissez-faire economic policies and principles have shaped global markets and impacted financial strategy and thinking. The Chicago School has earned 10 Nobel Memorial Prizes, the most prestigious awards in economics given by the Nobel Foundation, in Economic Sciences starting in 1969—more than double the four each won by Columbia, Harvard, Princeton, and University of California, Berkeley (Bloomberg, 12/23/08).
Friedman is widely considered among conservatives as one of the leading economists of the twentieth century. His policies influenced President Ronald Reagan’s 1981 tax cuts and he persuaded the US to approve the first financial futures contracts in foreign currencies. When he died in 2006, obituaries were riddled with unbridled listings of his accomplishments and praise for the famed thinker. Current Federal Reserve Chairman Ben Bernanke called Friedman an economic scholar no one could rival. Bernanke said, “In his humane and engaging way, Milton Friedman has conveyed to millions an understanding of the economic benefits of free, competitive markets, as well as the close connections that economic freedoms…bear to other types of liberty” (USA Today, 11/16/06). In 2002, President Bush spoke highly of Friedman’s work when he noted that Friedman’s free market ideologies had been adopted in Russia and China, along with other nations. Bush said, “These are extraordinary developments. They demonstrate that the rest of the world is finally catching up with Milton Freidman” (USA Today, 11/16/06). Richard Fisher, president and CEO of the Dallas Federal Reserve spoke of Friedman on Milton Friedman Day. Fisher called Friedman a “giant in the history of economic thought,” and concluded by referring to Friedman as “a champion of economic freedom.” Current California Governor Arnold Schwarzenegger believed that Freidman argued that the “free market was essential to free people” and that Friedman “embraced personal freedom and personal responsibility. But what truly set him apart was his work to restore our faith in the freedom of the individual to choose” (Economist, 1/28/09).

While there are those who praise Friedman for his insight into the free market, there are economists and scholars who cite his inability to see that without regulation the
market can become unwieldy and, often, not lead to equality or prosperity. Paul Krugman of the New York Times wrote, “Friedman had the intellectual courage to say that markets can too work, and his showman’s flair combined with his ability to marshal evidence made him the best spokesman for the virtues of free markets since Adam Smith. But he slipped all too easily into the claiming both that markets always work and that only markets work. It’s extremely hard to find cases in which Friedman acknowledged the possibility that markets could go wrong, or that government intervention could serve a useful purpose” (New York Times, 2/15/07). Krugman went on to write that, “Freidman’s laissez-faire absolutism contributed to an intellectual climate in which faith in the markets and disdain for government often trumps the evidence” (New York Times, 2/15/07). In the fall of 2008, 250 students and professors at the University of Chicago debated a plan for a $200 million research center to be named after Friedman. Marshall Sahlins, a professor of anthropology argued, “When Friedman’s platonic ideals of free-market virtues are put into practice, they have too often generated a systemic orgy of competitive greed—whose remedies, ironically, entail countermeasures of nationalization” (Bloomberg, 12/23/09).

By the end of 2008 and into 2009, the global recession was apparent. Financial institutions and banks in the United States had become almost insolvent due to years of Wall Street investors running wild in a neoliberal economy. For decades, financial markets and banks had fought regulation and freely traded with creditors’ cash. However, when one financial institution after another went under, the US government had to step in and firmly grip the US economy with a not-so invisible hand. The United States treasury invested hundreds of billions into the financial market system to avoid a near-global
financial collapse. The neoliberal ideologies of deregulation had failed. For too long, investors and financial institutions had freedom without oversight, without judgment, and without accountability. In December 2008, as US Treasury Secretary Henry Paulson announced his plan to buy $700 billion in troubled mortgage assets, the University of Chicago’s School of Economics was riddled with confusion. Bloomberg news reported that the University of Chicago found itself in an unusual place. “They’re battling a wave of government intervention more sweeping than any since the Great Depression as the US struggles with the worst recession in seven decades” (Bloomberg News, 12/23/08). By the end of 2008, the US government had committed $8.5 trillion to save the crumbling financial system, and in 2009, the US government would commit to spending even more. Globally, the European Union and China had also intervened in the markets to save their economies. The EU spent $3 trillion to protect bank loans and provide capital to lenders. China announced a $586 billion stimulus plan and the largest interest rate cut in 11 years. Bloomberg accurately reported, “The intrusion is anathema to the so-called Chicago School of economics and its patriarch, the late Milton Friedman” (Bloomberg News, 12/23/08). Economists Joseph Stiglitz and James Galbraith have stated that Freidman’s economic policies are to blame for the global recession. Stiglitz said, “The Chicago School bears the blame for providing a seeming intellectual foundation for the idea that markets are self-adjusting and the best role for government is to do nothing.” Similarly, economist James Galbraith of the University of Texas said Friedman’s economic theory had “run its course.” Galbraith said, “The inability of Friedman’s successors to say anything useful about what’s happening in financial markets today means their influence is finished” (Bloomberg, 12/23/08).
While a main component of neoliberal policies is the dramatic cut back of state intervention into economics, privatization, and wiping out state-funded social services, the state is also encouraged to engage in “rollout” processes. Peck and Ticknell articulate this rollout process as a “paternalistic and disciplinary control…exerted on the poor and other disadvantaged groups.” Thus, while the state has used neoliberal policies to weaken the state’s ability to distribute social services, they often also use “coercive, disciplinary forms of state intervention in order to impose market rule on all aspects of social life” (Cabezas, Reese, Waller, 7). Examples of such neoliberal rollouts include the criminalization of certain survival strategies used by the poor in times of economic crisis, including—sex work, subsistence farming, migration, street vending, and homelessness. Ironically, neoliberalism encourages states to open borders, allow trade and economics to flourish without state intervention, while still imposing the state’s power in private life. In addition, neoliberalism encourages the constraining of some markets and economies while enforcing the openness of others.

This “rollout” and the removal of social services as a tool of neoliberal policies is what Jessop called the “hollowing out of the nation-state.” The transformation to a global market-led economy from a state-supported economy is what most critics and supporters would call globalization. Globalization and the neoliberal policies that tend to be associated with globalization, require that states adopt new economic strategies if they wish to survive, much less compete on a global level. Under neoliberal policies then, the state is limited to its function as a facilitator of the flow of capital (Rankin, 21). Scholars have criticized globalization and neoliberalism as a “new inexorable reality challenging the autonomy of nation-states and bringing about a convergence in the organization of
economic life world-wide” (Mittleman, 239). Thus, the increasing limitations put on states to provide social services or services outside of the monitoring of capital flow and ensuring market competitiveness, have sharply replaced the state’s ability to spend and facilitate national development programs.

The impact of neoliberal policies and globalization on development strategies for women are drastic and far reaching. While globalization has created inequality across cultures and regions, new global economic policies have further entrenched inequality for women as members of society, in the family, and as gendered-workers. Under neoliberal policies, women are forced not only to continue caring and providing for their families, but women also have to work harder to compensate for the reduction of social welfare as a result of neoliberal policies. Often, critics point out, neoliberal policies do not take into account the ways in which costs are transferred from the market onto the household, more specifically women. The Association for Women in Development reported in 2008 that under neoliberal policies and globalization,

“Women are forced to absorb program cuts by working harder, often for reduced incomes. Family responsibilities make women more vulnerable to the precarious job market, since they usually have to accept lower quality jobs, with less labor protection and social security, in order to have the flexibility they need to fulfill their domestic responsibilities. The deregulation of markets, therefore, is made possible because of women’s vulnerability. Furthermore, domestic work and looking after the family limits women’s access to training and to the information necessary to improve their position in the job market. Discrimination against
women ensures cheap labor and the ‘flexible’ labor relationships necessary to keep the global economy running” (AWID, 12/2/08).

In addition, the Association for Women in Development makes a crucial argument on the global mapping of neoliberal policies and globalization procedures. The global economic lending institutions of the World Trade Organization, World Bank, and the IMF are located in the West and serve the pleasure of the wealthy, powerful nations. The AWID stated that, “The relentless pursuit of the free market agenda, in the interest of already wealthy economies, undermines national governance and public sector services in the regions of the South by forcing the privatization of sectors like education, health, sanitary systems access, and energy—a process that disproportionately affects the poorest members of communities” (AWID, 12/2/08). Once again, the global North and West are exploiting, impoverishing, and objectify citizens, and specifically women, from the global South and East. Not only does this recreate colonial and imperial maps of power, but it also undermines any hope of post-colonial discourse and dialogue. It is too easy to see the ways in which old routes of power can be re-harvested and retraced to reproduce global, modern colonial relationships.

Similarly, Catherine Kingfisher called on scholars to investigate how the West has used neoliberalism to promote its own ideological and economic policies. In “Western Welfare in Decline: Globalization and Women’s Poverty,” Kingfisher argued that economic globalization, represented in the World Trade Organization, had been paired with neoliberalism by the West at the domestic level by attacking the welfare system. Kingfisher wrote that this attack has been justified on two grounds. First, she wrote, “is
the claim that public relief is too expensive along a number of dimensions, including national debt and the ‘extra costs of reducing inequality,’ such as the higher tax rates needed to finance redistribution. Coupled with this economic justification is a moral argument which claims that the receipt of welfare dis-empowers the poor, sapping their motivations to achieve self-reliance and undermining their self respect” (Kingfisher, 7).

Marina Karides echoed the call for Western scholars, feminists, and neoliberal actors to see how their advocating of micro finance is just a short-term solution to globalization and neoliberal policies’ impact on the global South. The gap created by cutting the welfare state as a step in the neoliberal program has been filled by micro finance. Because the state no longer provides social services and welfare to the poor, micro finance is encouraged as a “do it yourself” solution for, in most cases, the nation’s poor women. Karides states, “Its [micro finance] uncanny appeal to feminists, populists, and many Marxists, as well as to advocates of neoliberalism, suggest that micro enterprise development is serving not as a viable development strategy but, rather, as a quick fix or band-aid for a program of modernization that has mired the majority of persons in the global South in poverty” (Karides, 77). The critique that the wealthy, powerful nations impose neoliberal policies onto developing countries in the global South is echoed in the mapping of micro credit institutions.

According to the 2009 Micro Credit Summit, where micro finance institution regional data was reported, a vast majority of micro finance institutions were operating in the global South and developing countries. The Micro Credit Summit reported that “Of the 3,552 microfinance institutions that have reported to us, 935 are in Sub-Saharan Africa, 1,727 are in Asia and the Pacific, and 613 are in Latin America and the
Caribbean” (Micro Credit Summit, Regional Data, 2009). Of the roughly 3,000 microfinance institutions operating in developing countries, which reached 149,604,168 clients in 2007, 88,520,502, or 59 percent were women. Comparatively, the Micro Credit Summit reported that in the countries that made up what they termed as the “industrial world,” which included North America, Western and Eastern Europe, and Central Asia, there were only 195 microfinance institutions. The 195 microfinance institutions in the industrial world reported serving 5,113,835 clients in 2007, of which only 206,391, or less than 1 percent, were women. It is clear from the data that microfinance programs are directed to the poorest, most deprived countries. Even further, the call for microfinance institutions to support women clients seems to be only heard in or perceived to be only necessary in the developing world (Micro Credit Summit, Regional Data, 2009).

Similarly, it is crucial to note who sponsors the Micro Credit Summit each year. It is ironic that while the Micro Credit Summit prided itself on reaching over 100 million poorest clients with microfinance programs, stating, “The Micro Credit Summit goals and its core themes give microfinance its dignity, its majesty, and its soul,” the Summit and its representatives was sponsored by global corporations who engaged in globalization practices and who have been accused of major human rights abuses and were involved in the global economic crisis. The Micro Credit Summit thanked their sponsors “for the generous support” of the microfinance project, including Johnson and Johnson, Qualcomm Wireless, Citi Foundation, MasterCard International, Monsanto Fund, and the Charles Stewart Mott Foundation (Micro Credit Summit, 2009).

While I believe that the Micro Finance Summit’s goal of alleviating poverty and empowering women in developing countries is a goal that should be applauded, it is
necessary to fully articulate the ways in which micro finance programs are used as a vehicle of neoliberalism to impose even more burdens on the world’s women. Understanding government frameworks within a neoliberal construct has revealed that micro finance programs can be used by governments as a tool and strategy to transform women and men “in a certain improving direction” consistent with the prevailing political and economic goals (Scott, 200). Under this transformation, however, women clients of micro finance programs carry the load of social services on their backs. As this paper and feminist research has shown, across countries and cultures, women in agrarian societies perform the bulk of productive labor, contribute more of their personal income to the household than men, and have a higher rate of return on their loans than men. From the perspective of donors, lenders, and the global community, women’s participation is considered to “enhance the financial sustainability of micro credit programs and ultimately contribute most effectively to the broader goals of deepening financial markets to areas that typically fall outside the purview of capitalist markets.” Rankin stated that one characterization of micro finance programs under a neoliberal regime could be a form of subjection in so far as it would work to align the personal goals of individual women with those goals prescribed by economic reformers, agents, and global powers (Rankin, 30).

The use of micro finance as a development tool demonstrates a controversial shift in the rationale for development. Rankin points to the shift away from a view that the state, especially commercial banks that are owned and regulated by the state, is obligated to provide financial capital to its citizens, particularly the rural poor. The new development rationale then is to remove the state from its responsibility to secure
“economic opportunity” for individuals. While the state may believe they are providing “economic opportunity” for citizens, ultimately, the state is washing its hands of its responsibility to provide for the nation. Instead, the state pushes that responsibility onto women entrepreneurs under the guise of “personal responsibility.” Within this new rationale, more often than not, the new development agents are women entrepreneurs, already imbedded with the cultural sensitivity to provide for and protect their families and local communities. The women entrepreneurs then are forced into a deeper double burden—not only working to repay micro loans and run a successful business, but also providing the education, health services, senior care, and other social services the state once provided. This creates a “triple burden” for women. Rankin warns though that “micro credit must also be recognized as a state strategy that constitutes social citizenship and women’s needs in a manner consistent with a neoliberal agenda” (Rankin, 20).

The theory that a neoliberal agenda creates a shift in the citizenship responsibilities of women is also echoed by Batliwala and Dhanraj in “Gender Myths that Instrumentalize Women: A View from the Indian Front Line.” The authors clearly articulate the ways in which neoliberalism and globalization separate women into “twin identities” that must not only perform their role as an economic citizen while also providing for themselves and their families in areas where the state was once responsible. Not only are women fulfilling the role of the nurturer but they are now also the economic providers. Batliwala and Dhanraj wrote, “The neoliberal rules for the new woman citizen…were quite clear: improve your household’s economic condition, participate in the local community development (if you have the time), help build and run local (apolitical) institutions like the self-help group; by then, you should have no political or
physical energy left to challenge this paradigm. These rules sustain a sort of depoliticized activism at the local level—one that inherently does not build upward momentum” (Batliwala and Dhanraj, 25).

Marina Karides has written expansively on how microfinance programs directed at women have been used by neoliberal organizations, states, and actors to produce results beneficial to the global economic market. In Karides’ “Macroeconomics and Micro-Entrepreneurs,” she writes that part of the neoliberal project is to advance microfinance programs as a market-based answer to the “blunders” of the post-colonial world. “Neoliberalsists attribute the explosion in numbers of unemployed, underemployed, and informal workers in the global South to ‘ineffective’ states. Thus, by promoting micro-enterprise development, government officials feel that they can offer some assistance to poor and low income people but still remain in compliance with the neoliberal reforms they are obliged to implement [by the WTO and IMF]” (Karides, 77).

While neoliberal organizations promote the advancement of microfinance programs for women, they fail to realize certain barriers to the client succeeding under the new economic regime of neoliberalism and globalization. The assumption is that by providing poor women with credit assistance and skills training, women will create employment for themselves and elevate their families and communities out of poverty. However, at the same time that the state is promoting micro finance to poor women, they are also adhering to neoliberal policies that must comply with market principles. Throwing a loan at a woman is not enough. Even assuming that the client has a product and can travel to the marketplace, several barriers still remain for her once she is in the market. For instance, the market may not be large enough to support another jewelry
maker or basket weaver. Karides provides two other examples of this conflicting circumstance. The first is that although micro finance institutions distribute credit, they do so at market rates. Particularly now in a time of global economic turmoil, without subsidization, low-income and poor clients with assumingly very limited capital of their own are subjugated to very high interest rates. Karides also points out that another obstacle to low-income or poor women being successful with micro finance under neoliberalism economic policies is that under a free trade environment, women’s businesses must compete not only with other local merchants, but also with multinational corporations that produce the same products (Karides, 74).

Another issue for consideration is not only micro finance programs’ ability to provide credit to low-income or poor women, but also the ability for women to expand their businesses under neoliberal regimes. “Indeed, how a nation address or responds to neoliberalism may greatly affect not only the likelihood that women’s micro enterprises will create the necessary income to meet basic needs but also the opportunities open to women who pursue business expansion” (Karides, 74). Assuming that a woman’s micro enterprise is successful under a state following neoliberal policies, under what circumstances would she be able to expand her business? For working women in the West, there is a constant dependence on social services for families—child care, health insurance, education, and care for seniors. Working women in the West have fought for the security of these social services. However, low-income and poor women in the global South who are benefiting from a micro finance program and want to expand their businesses are crippled by the lack of social services provided by the neoliberal state. Marina Karides states,
“Assisting women micro entrepreneurs requires more than increasing women’s access to loans and training in business skills. Indeed, the survival and expansion of women’s microenterprises depends on the provision of ample social services that recognize the self-employed as workers who deserve access to the same benefits as formally employed workers. Yet, in a neoliberal policy environment…nations are forced to implement microenterprise development in lieu of providing other forms of social assistance” (Karides, 84).

Microfinance is also a booming industry. Thousands of jobs are provided through microfinance programs and millions of women and poor people all over the world are served as micro finance clients. The Micro Credit Summit boasted the successes of microfinance for boosting some of the world’s poorest out of seemingly insurmountable poverty. While the goal of ending poverty for the world’s poorest women should be fought for, the ways in which micro finance programs have been structured cannot possibly be used as an example of a poverty-reducing strategy for women. It is necessary to understand how microfinance can and has been used as another tool in the neoliberal toolbox. To ignore the ways in which microfinance uses their clients, specifically their women clients, to serve as a one-stop-shop in social services so that the state can spend money on exporting goods to the global economy, is extremely dangerous for women and future recipients of global “aid.”

The purpose of this chapter was to establish how neoliberal institutions and states have and can use microfinance as a way to push previous state supported social
services—education, health care, nutrition—onto female entrepreneurs. Furthermore, this chapter produced a mapping of microfinance institutions to illustrate, on a global scale, how and where the microfinance institutions and programs are operating. It is impossible not to see the correlation between the West’s push for neoliberalism at the hands of Milton Friedman’s Chicago School economic theory and the fact that there are hundreds of thousands more microfinance programs in developing countries than there are in the Global North.

Microfinance programs in the future must not fall into the trap of neoliberalism. To impose that kind of requisite on women entrepreneurs, already struggling with entrenched ideological barriers to women business owners, is an oxymoron to the cause of microfinance programs.
Chapter 6: Micro Finance Through Practitioners’ Eyes

Through my research on micro lending and development, I developed many questions for myself through the literature I was reading. How are microfinance programs organized and funded? How do they choose which clients to service? Do they have an application process? Is their process and their organization culturally specific? Do they engage in feminist practices? Throughout my research, I found it was critical to have these questions answered not only by the feminist, economic, and development theory scholars but by actual practitioners in the field of micro finance. As was stated in the introduction, I conducted three interviews with development practitioners from US-based non-governmental organizations that engage in micro finance projects with Third World women. I interviewed staff members in semi-structured interviews and recorded the conversations or took notes when recording was not available. I asked the following questions of all of my interviewees, with some small changes to reflect the specifics of their organization.

1. What is your role at [insert development organization] and what experience do you have with micro finance programs?

2. Can you explain [insert development organization]’s approach to micro finance programs as well as [insert development organization]’s gender integration strategies as they pertain to micro finance?

3. How are micro finance clients approved and how are [insert development organization]’s micro finance programs funded?

4. What percentage of [insert development organization]’s micro finance programs target women?
5. What support structures (including, but not limited to business tutorials, staff) are provided through [insert development organization] or [insert development organization] partners to micro finance clients?

6. What percentage of [insert development organization] staff are women? What percentage of [insert development organization]’s program staff who work directly with micro finance clients are women?

7. Some critics of studies of micro finance programs cite the fact that micro finance programs can be too loan returns-focused, and thus miss important factors that shape the client’s livelihood, such as if the women themselves are in control of their funds, how the influx of new money impacts the women’s marriage and family, if the local economy can support a flurry of new merchants, and if the products women clients are encouraged to produce (baskets, beading, pottery) further impose sexist production roles. How do you feel about these critiques? How do you think micro finance programs can work to not fall prey to these critiques?

8. With the current global recession and the shrinking power of the dollar, how are rates of exchange factored into the micro finance process?

9. Feminist research practices argue for a holistic, in-depth, personal, and gender-specific focus to research. How does [insert development organization] work to include these practices? Do you think feminist research practices should be included in the study of micro finance programs?

10. What do you see as any possible flaws of the micro-lending program? How would you work to improve those flaws?
During the course of the interviews, I was not worried about the order of the questions, but that all of them were asked. I had some control over how the interview would be structured (Hess Biber, 115). I did not ask any questions that were strictly “yes” or “no” questions because I wanted interviewees to speak at length about the practitioners’ experiences in micro-lending. The in-depth interviewing process allowed me to have an in-depth conversation about the interviewees’ experiences in micro-lending. Through the course of the interview and in post-reflection, I feel that the semistructured interview worked best for my research. As Kathleen Blee and Vera Taylor discuss, semistructured interviewing allowed myself and the practitioners to engage in our lived experiences by exploring the context and meaning of respondents’ answers as well as my own knowledge about the subject. Taylor and Blee state that through semistructured interviewing the context of statements made can be better understood through interviewing because non-discrete statements and answers are provided (Blee and Taylor, 95). These answers provide a more specific and inside look at an organization through the eyes of its staff and decision makers, as opposed to only reading their prepared statements in press conferences or on their website. Additionally, a semistructured interview allowed for what Blee and Taylor call the scrutiny of meaning, which can highlight “how activists regard their participation and how they understand their social world” (Blee and Taylor, 95).

**WomensTrust**

For my first interview, I interviewed Kristin, a staff member at WomensTrust. Kristin was chosen because she was who the organization chose to talk to me. I contacted each organization and stated that I was conducting research on microfinance and would
like to ask someone involved in the microfinance program questions regarding the
decision making processes and the various actions and activities the program conducted.

WomensTrust forwarded me to Kristin as a point of contact for my research at that
organization. WomensTrust is a non-governmental organization based in New
Hampshire. According to the group’s website, they are primarily focused on micro
lending programs. The organization has over 1,000 loan clients, all women who own
their own local business. They have chosen Pokuase, Ghana as their site for
microfinance. “Micro lending is the core of our WomensTrust programs. Through it we
have built relationships with the women of Pokuase, come to understand their needs and
wants, and have implemented market driven programs that better serve them and their
children. We employ a group-lending model that was introduced by the Grameen Bank
in the 1980s. Potential clients form their own groups of four or five women and come to
the WomensTrust office for an initial screening. In order to track impact, our staff records
information about their businesses, their incomes, their families, their education, and their
homes” (WomensTrust.org, 9/4/09)

Through this first interview, I learned how effective the interview process is for
my specific topic. Because I am interested in learning about the internal dialogue and
mechanisms within the organizations, it is key to speak one on one with the staff. The
interview that I conducted with Kristen was a semistructured interview. When I first
contacted her about the interview, she asked for an outline of questions. I emailed her a
brief outline of questions that I planned on asking but I was also open to asking follow up
questions. Kristen’s unique perspective gave me invaluable insight into how
WomensTrust was formed, how they assess applications, how they hold loan applicants
accountable, and where they have potential weaknesses. For instance, the organization has no measurement of success or effectiveness.

“KL: How does WomensTrust measure effectiveness?

K: Karen, was hired in May and part of her position is to do an impact assessment. We haven’t gotten to that point yet because we just hit the 5 year mark when we’re starting to think about that very important information for us to gather.

KL: Okay.

K: So she is going to be preparing that analysis so that we can get that start getting that information. We’ve got it on the table but we’re not getting there yet.”

My interview with this staff member highlighted the fact that this organization did not have any substantial way of measuring effectiveness. The group’s website states that “staff records information about their [the client’s] businesses, their incomes, their families, their education, and their homes” (WomensTrust.org, 12/27/09). In addition, the organization’s website claims that their repayment rates “remain quite high, in the upper 80 percent range” (WomensTrust.org, 12/27/09). However, these vague understandings of effectiveness, monitoring and evaluation are nowhere near the appropriate levels of understanding. If appropriate is defined as designed by one of the world’s largest development organization, the World Bank’s model for incorporating gender into monitoring and evaluations in rural economic development programs should at least be incorporated, integrated, or included in a necessary monitoring and evaluation plan at any development organization. By no means am I suggesting that the World Bank’s gender
integration should be considered complete or a success. I am however, suggesting that as the development industry’s leader, their work can be used as a guide for smaller, organizations because on paper, the World Bank’s gender integration does provide necessary tools for a development institution’s toolbox. The World Bank’s gender integration for monitoring and evaluation plan states the importance for gender integration in measuring effectiveness. “Gender sensitive monitoring and evaluation reveals the extent to which a project has addressed the different needs of men and women, and has made an impact on their lives and overall social and economic well being” (World Bank, 2001). Furthermore, the World Bank states that gender integration in monitoring and evaluation “improves project performance during implementation, allows for midterm corrections, and makes it possible to derive lessons for future projects” (World Bank, 2001). If any organization, including WomensTrust does not have adequate measurable standards and monitoring and evaluation procedures in place, the group cannot comprehensively adapt, alter, or continue their programs. In addition, without proper monitoring and evaluation tools, a development organization risks of continually failing to alter the changing needs of their many clients.

A very important theme I found laced throughout the interview was cultural specificity. As I have shown in this thesis, Third World feminists have argued that cultural specificity is key and that Western imperialism often is seen when Westerners embark on a project in the Third World without consulting people from the area. In the interview I asked Kristen about the staff in Ghana and was pleased to hear that the staff all speak at least one of the native languages and that they are all from the surrounding areas.
KL: Can I ask also, what language the staff speaks? Do they have translators?
KA: They speak English and each of them speaks more than one of the native languages because there are so many.
KL: So are they from the area?
KA: Correct, they are all native to Ghana. Actually, two of them are native to Pokuase, and two of them are native to towns right outside of Pokuase.”

While it is commendable that the organization hires staff in the community in which they deliver microfinance loans, was apparent when I asked about any potential flaws of the system that communication was problematic.

“KL: What are the problems that you see with the system as it is now—any potential flaws and systematic defect that happens with the transfer of money, application process? And do you see any ways those problems could be improved upon?
KA: That’s a great question. Right now I think the most challenging things is just communication between our US office and our office in Ghana. And part of that are just cultural differences. It is really hard for us to understand their ways of doing things sometimes, and it can be misunderstood. And I think it’s just its just, it's just extremely hard. We do a staff call weekly with them, we do a conference call basically with them. And it’s hard to hear them, and then you have their accent on top of that, and it can just be very challenging. The internet is not a reliable thing over there, nor is the power. So you know you might have the
power working but the internet isn’t working or vice versa. You know internet, email, so much of my day is consumed by email you know just people in the US here, but it’s really hard to use it with them because it’s not a reliable thing there. We do, we kind of, we have a full time intern from Dartmouth College, and he is there in Ghana for the next 8 months. It has been extremely helpful. We’ve been talking about hiring someone to be over there from the US full time.” (interview transcript).

Kristen’s answer showed that literal communication—in addition to cultural differences—was a problem in microfinance projects on the ground. She stated that the staff member’s accents, access to the internet and power, and their “completely different way of doing things” would be potentially solved by having a Western-taught, English speaker positioned in the program as a translator between the US and Ghana offices. Third World feminists would argue that by inserting a Western translator on the ground would be problematic and that certain culturally specific ideas, expressions, and way of doing things could be lost.

This interview with WomensTrust was enlightening. As the first interview I conducted, it helped me understand more about the basics of a microfinance institution—how they operate, how they manage their loans, etc. While the interview was helpful, it also provided key insight into some areas where the organization needed to improve. Specifically, that included the lack of monitoring and evaluation procedures and the cultural specificity as it related to communication. It was clear from the interview that the organization and others like it must better understand the need for proper monitoring and evaluation tools. Without these tools in any development organization’s toolbox, the
programs have no way of measuring effectiveness, as they define it. The interview also explored the area of specificity and communication. In the age of the internet, cell phones, and cross-continent conference calls, it was clear that staff in the United States had difficulty communicating on a basic level with the staff in Ghana. From noise to languages to lack of technology, the staff in the United States found the communication between staff and clients to be “challenging.” While Women’s Trust praised the idea of hiring an American translator to be in Ghana to help communicate with the home office, I would dissuade them from moving forward with that plan. I believe that my research has shown that having culturally specific, local staff is positive and can only help integrate the development process with strategic allies. Hiring a Western-educated translator to “give voice” to the Ghanaian staff would only do damage to a already geographically distant relationship. I would urge WomensTrust to continue to work through the communication difficulties and find more local solutions.

**Development Alternatives Inc.**

My second interview was conducted with Colleen, a manager at Development Alternatives Inc. My interview with Colleen was not recorded but I was able to take substantial and accurate notes. Development Alternatives Inc., (DAI) is a for profit development agency located in Bethesda, Maryland. DAI is primarily funded through United States government grants, and specifically uses the USAID grants for micro finance programs. This type of organization was different from the two others I researched since it was for profit but also because it worked on the “mezzo level” as Colleen described it.
DAI received grants from the US government and directed funds to other non-governmental organizations who were conducting micro finance programs. While the other two organizations I interviewed focused specifically on female clients for micro finance programs, DAI does not direct funds to only women-focused micro lending organizations. However, Colleen did point out that the NGO’s DAI directs grants to should have women in management and loan officer positions and in most cases, draw from the local community for staff. Within DAI, all of the staff that works on microfinance are women, while the general gender breakdown for the staff is 50 percent men and 50 percent women.

Colleen’s perspective as a manager at a for-profit organization was most insightful in the critique of micro finance programs that only focus on women. Colleen said that DAI focuses on creating “sustainable, profitable, efficient” businesses that women can continue to run after the NGO has left the community. Colleen stressed the importance of training and that while many NGOs focus only on women as the “economically active poor,” she argued that “clients need more than just a loan.” For DAI and Colleen, job and skills training is paramount to micro finance programs, otherwise, organizations end up “pushing people” into dead end opportunities. As for the ways in which micro finance programs have transmitted and reinforced Western gender roles, Colleen let out a heavy sigh. She said that while it is unfortunate that women in Third World countries are pushed or encouraged into traditional Western gender norms, she said that with large scale micro finance programs, it is sometimes impossible to tailor each loan to the client’s specific skill set or needs. But, Colleen did argue that her role at DAI is to work to answer the question, “How can you build the market?” for micro finance
entrepreneurs, especially in the time of globalization and an internet-ready marketplace. Development Alternatives’ goal of building the marketplace for their clients is key to my research on how microfinance and neoliberalism sometimes are partners to an economic interest. In this case, DAI seems to be used by the US government and USAID through grants to direct funds to non-governmental organizations that practice microfinance. Ideally, DAI would service microfinance institutions where the US has a neoliberal economic interest. This is not to say that DAI is involved in a neoliberal agenda, however, I do believe that the for-profit organization has a stake in the microfinance institutions they service to be economically successful and for the market to grow. Karl Marx and Fredrick Engels had a theory of ideology in The German Ideology. In that text, the authors stated that ideology was “the production of ideas, of conceptions, of consciousness” and that “men say, imagine, conceive” of “politics, laws, morality, religion,[and] metaphysics” (Marx and Engels, 47). Marx and Engels went on to state that ideology formulates the superstructure, the dominant culture and ideas in any society formed by the “ruling class.” Marx and Engels wrote, “The ruling ideas are nothing more than the ideal expression of the dominant material relationships, the dominant material relationships grasped as ideas; hence of the relationships which make the one class the ruling one, therefore the ideas of their dominance” (Marx and Engels, 64). Marx and Engels’ notion of ideology is important to my understanding of DAI’s involvement with microfinance and a neoliberal economic scheme is to suggest that in the 21st century, neoliberalism and globalization are the dominant ideology. As Marx and Engels suggest, the ideology of neoliberalism—the openness of markets, the strict rule on social services—has been conceived by the dominant class, which in the case of DAI includes
the United States’ economic interests. As my interviewee said, it was her job to ask how the market can grow. But a more important question should be, how can the market grow to serve which interests, the clients of microfinance or a dominant, ruling interest?

Finally, Colleen also had many views on the future of microfinance. With the global recession and many donors and activists are limiting the amount they are willing to give to causes such as microfinance, many organizations and NGOs are bundling their efforts on many causes. For instance, Colleen discussed how some projects in Africa are combining microfinance with HIV/AIDS programs to help not only build their donor base but also to incorporate health care services as they administer microloans. Additionally, Colleen suggested that new ways to keep overhead costs down for NGOs was budding technology. The use of cellular phones and text messaging provides clients in rural area communication with their loan officer or training coordinator without the staff member needing to travel.

Ultimately, Colleen believed that microfinance programs are “just a band-aid” for the world’s poorest women and that structural inequalities will persist. While microfinance provides income, access to the global marketplaces, and, some argue, women’s empowerment, the reasons for women’s extreme global poverty cannot be addressed by microfinance. Cultural discrimination, gender norms, and traditional practices will continue to prohibit women’s full economic emancipation unless structures and frameworks that breed inequalities are addressed (Development Alternatives Inc. interview notes).

Colleen’s assessment that microfinance programs are a band-aid on larger, systematic problems for women is accurate. The notion that money and access to credit
will protect women overnight from abuse, violence, and poverty is a myth. But money and access to credit are not mythical answers to a state working under a neoliberal guise. My interview with DAI staff showed me that while a microfinance organization can have the clients’ best interest in their line of sight, they can be seemingly swayed by overarching ideologies and dominant epistemologies. Colleen may believe that access to credit is not a final solution to the female clients of microfinance, she did not see that her organization may have worked to foster governing neoliberal economic thought.

**Freedom from Hunger**

My final interview was conducted with Lisa and Christine, microfinance and development practitioners from Freedom from Hunger, a nonprofit based in California. Freedom from Hunger works with microfinance to alleviate women and families’ poverty and to fight hunger. The group’s website articulated their methodology and goals.

“Microfinance, especially when combined with other high-impact services, can transform the lives of the very poor. Freedom from Hunger created integrated microfinance in 1989 when it brought life skills training to the meetings where women gathered each week to receive loans and deposit savings. The impact was undeniable. Not only did women increase their incomes, they also learned how to grow their businesses, safeguard their families’ health and increase their confidence to make changes in their communities. Two themes run through Freedom from Hunger’s 62-year history as we innovate new ways to fight hunger and we distribute our innovations widely for use by other organizations. Freedom from Hunger has never wavered in its determination to improve microfinance to
Freedom from Hunger’s website indicated that in 2008, the group had delivered microfinance loans to over one million women. In addition, 75,000 women had taken advantage of the group’s savings plan, which allows women involved in the microfinance programs to save their money in a collective box (FreedomfromHunger.org, 11/9/09).

In my interview with the staff from Freedom from Hunger they specifically articulated the need for business training and education for their microfinance clients. Christine, a support staff member, said, “Right from the very beginning, we combined education and training with the loans…We learned that if the women were to be successful, they needed training, very basic business skills. We’ve always been an integrated services organization.” When I asked more about the training programs, Lisa, a micro finance professional at Freedom from Hunger, stated that one of the reasons they coupled business training with the micro loan program was, “one of the main ones [trainings] we do is around looking at your sales and it really talks about looking at the market and what the opportunities are, and how you can better choose what you sell.” In addition, Lisa said that the trainings practice “non-formal adult education” that she described as “helping people analyze their environment and experiences and then getting input on how to think about that.” Christine went on to state that the organization, more recently, has begun to integrate health care education with their micro finance programs. “We make sure they have information on different health products and services, access to community clinics.” She then reiterated her organization’s fundamental belief that “micro
finance is just half the solution” and that “just giving them money alone without the skills to make successful businesses and how you use that money to benefit the health and nutrition of the family.”

One of the areas that Lisa described as a step forward for micro finance and training opportunities was vocational training. This was in response to my question about micro finance organizations driving or pushing their clients into Western-specific gender roles. Lisa said,

“I would agree with your comment that a lot of times these vocational trainings are building off of skills that are traditionally women’s skills. I think that is reality. You have to start people from where they are. But, I think something to keep in mind is that the age of the women in these programs is late 30’s to mid 40’s primarily, and a lot of the countries’ life expectancy is 45. So, we’re talking about people who are beyond middle age in their life expectancy and they are not as interested in learning new skills. They are more interested in making sure their children learn new skills… They [the clients] feel more comfortable in the range of business activities that women are typically associated with.”

Her answer provided an interesting insight into the realities that micro finance organizations are faced with when conducting vocational skills trainings with their female clients. Do they continue to subject women into traditional Western skill sets or do they work to branch out and provide new non-gender skills? Lisa’s understanding indicated that while micro finance organizations may be aware that they continue to drive
women into these types of businesses, the women themselves feel more comfortable working with the skills they have grown up using.

My interview with Freedom from Hunger painted an interesting picture of the female clients of microfinance. None of my other interviews discussed the personalities and the intricacies of the women involved in the microfinance schemes. The staff at Freedom from Hunger answered my question about Western notions of femininity and women’s work being subjected onto women in the global East and South. I have discussed in this paper about clients of microfinance institutions seem to always be making handcrafts, pottery, beadwork, or some other form of work that is traditionally considered “women’s work” in the West. When I spoke about this with the staff from Freedom from Hunger, they articulated a thought that had never been addressed in my other interviews. They spoke to the specifics of their female clients, who were older and most had families. The Freedom from Hunger staff articulated the very specificity I had called for earlier in this thesis. They said that the women they worked with were nearing the ends of their life expectancy and did not have the time to learn a new trade or skill outside of the traditional handcrafts or pottery they had grown up with and did well. The Freedom from Hunger staff said that their clients hoped their daughters could learn a new trade and go to school, which was why they asking for loans in the first place—to better their children’s lives.
Chapter 7: Conclusions

On August 12, 2009 President Barack Obama awarded Professor Mohammed Yunus, founder of the Grameen Bank, America’s highest civilian medal. Yunus received the Medal of Freedom for his work on microcredit. In his remarks, President Obama cited Yunus’ achievement of founding the Grameen Bank. President Obama said that the bank “has disbursed over $8 billion, lifting millions of people from poverty with microloans. Mohammed Yunus was just trying to help a village, but somehow managed to change the world” (Grameen Bank, 8/12/09). President Obama went on to say that Yunus “has altered the face of finance and entrepreneurship” and “enabled citizens of the world’s poorest countries to create profitable businesses, support their families, and help build sustainable communities.” In addition, Obama stated, “Muhammad Yunus has unleashed new avenues of creativity and inspired millions worldwide to imagine their own potential” (Grameen Bank, 8/12/09).

Professor Yunus deserves President Obama’s praise. Yunus re-tooled traditional banking strategies and procedures to serve the poorest of the poor. Never before had credit, loans, or savings accounts been available for people living in poverty. Now, millions of men and women can control their assets and build their family’s wealth. While these advancements are notable and worthy of commendation, the President’s remarks are indicative of the very changes I have outlined in this thesis. The need for specificity in development practices, neoliberalism’s hand in the microfinance fire, and the reliance on money and credit to assist the poor and aid in women’s empowerment are all necessary changes that must occur if development organizations hope to achieve sustainable, manageable economic growth for their clients.
Cultural and gender specificity, a tenant of feminist practice, must be included throughout the development process. President Obama praised Professor Yunus for aiding the “millions” of the “world’s poorest.” The people the President spoke of have faces, names, and identities and are often left out of the development process. From proposal, implementation, and throughout the monitoring and evaluation processes to advertising to wealthy donors, cultural and gender specificity must be included in the development staff’s work. Understanding the local cultural and gender dimension of any community is critical to the success of any development project. How can a development project succeed if the clients or population is not included in the organization and creation? How else will development practitioners, typically in the West, know what needs to be done in the local communities unless those people are directly involved? In some development organizations, when women in the global East and South are the recipients of aid, they are either left completely out of the development process or considered one homogenous group that has the same life experiences, needs, and goals for themselves and their families. Where microfinance is concerned, it was clear through my interviews that without local and gender specificity, the female clients of the microfinance institutions were the victims of haphazard or limited planning and evaluation.

Microfinance has been a buzzword around development organizations and multinational financial institutions for over a decade. As more and more development schemes wanted to promote to their donors and the world that they wanted to aid and liberate the world’s women, microfinance and women’s empowerment became linked. The World Bank, IMF, and the United States have continued to push micro lending as a
tool for women’s empowerment and economic growth in areas where their economic and political interests are at stake. In June 2009, USAID announced that the One Woman Initiative, a one year old program “to empower women in countries with significant Muslim populations” announced they were awarding over $500,000 in grants to microfinance and economic development organizations in Azerbaijan, Egypt, India, Pakistan and the Philippines (USAID Press Release, 6/3/09). States and development organizations have used microfinance as a neoliberal tool to force more social responsibilities on women, creating a triple burden of care giver, provider, and entrepreneur. Under the guise of women and entrepreneurship, states, multinational development organizations, development practitioners have used neoliberal policies to promote their own national economic interests.

The development community’s ties to the notion that access to money, the market, and credit will solve the world’s poverty should be cut. States, super-national development organizations, and practitioners tout the success of microfinance as a way to alleviate poverty and liberate women in the global East and South. While studies referenced in this thesis did show that microfinance has, in some cases and localities, provided women in Third World countries with more control over their finances and empowered their decision making in and outside of the home, studies, also referenced in this thesis, show that in some instances, microfinance ignites a vicious circle of debt and possible threats of violence when repayment is not possible. Women’s empowerment is a term that is specific to each individual woman, whether she lives in a village or a city. Development practitioners must stop using such an important and loaded term to blanket all women’s economic and personal successes. Moreover, development organizations
and states must recognize that even with access to money, credit, and the marketplace, structural and systematic barriers will still impede women’s advancement within their cultures. Clients of microfinance would be better served if their microfinance institution and development organizations understood the hegemonic frameworks that surround women’s lives—otherwise, access to a bank account will never bring the kind of empowerment the West imagines for microfinance clients.
Table 1. Regional Breakdown of Microfinance Data, Micro Credit Summit, 2009

<table>
<thead>
<tr>
<th>Region</th>
<th>Number of programs reporting</th>
<th>Number of total clients in 2006</th>
<th>Number of total clients in 2007</th>
<th>Number of poorest clients in 2006</th>
<th>Number of poorest clients in 2007</th>
<th>Number of poorest women clients in 2006</th>
<th>Number of poorest women clients in 2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sub-Saharan Africa</td>
<td>935</td>
<td>8,411,416</td>
<td>9,189,825</td>
<td>6,182,812</td>
<td>6,379,707</td>
<td>4,036,017</td>
<td>3,992,752</td>
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<tr>
<td>Asia and the Pacific</td>
<td>1,727</td>
<td>112,714,909</td>
<td>129,438,919</td>
<td>83,755,65</td>
<td>96,514,127</td>
<td>72,934,47</td>
<td>82,186,66</td>
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<tr>
<td>Latin America &amp; Caribbean</td>
<td>613</td>
<td>6,755,569</td>
<td>7,772,769</td>
<td>1,978,145</td>
<td>2,206,718</td>
<td>1,384,338</td>
<td>1,450,669</td>
</tr>
<tr>
<td>Middle East &amp; North Africa</td>
<td>85</td>
<td>1,722,274</td>
<td>3,310,477</td>
<td>755,682</td>
<td>1,140,999</td>
<td>621,111</td>
<td>890,418</td>
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<tr>
<td>Developing World Totals</td>
<td>3,360</td>
<td>129,604,168</td>
<td>149,711,988</td>
<td>92,672,29</td>
<td>1,140,999</td>
<td>78,975,94</td>
<td>88,520,50</td>
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<tr>
<td>North America &amp; Western Europe</td>
<td>127</td>
<td>54,466</td>
<td>176,958</td>
<td>25,265</td>
<td>109,318</td>
<td>11,765</td>
<td>72,576</td>
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<tr>
<td>Eastern Europe and Central Asia</td>
<td>65</td>
<td>3,372,280</td>
<td>4,936,877</td>
<td>225,011</td>
<td>233,810</td>
<td>142,873</td>
<td>133,815</td>
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<td>Industrialized World Totals</td>
<td>192</td>
<td>3,426,746</td>
<td>5,113,835</td>
<td>250,276</td>
<td>343,128</td>
<td>154,638</td>
<td>206,391</td>
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<tr>
<td>Global Totals</td>
<td>3,552</td>
<td>133,030,915</td>
<td>154,825,825</td>
<td>92,922,57</td>
<td>106,584,67</td>
<td>79,130,58</td>
<td>88,726,89</td>
</tr>
</tbody>
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Appendix: Literature Review

Third World Feminist Theory

Chela Sandoval’s text, Feminist forms of Agency and Oppositional Consciousness: U.S. Third World Criticism, is essential to understanding the dichotomous relationship of Western feminist thought and Third World feminist. With this text, Chela Sandoval expresses the ways that feminist thought has been circumstanced around the dichotomous thinking in Western culture. Through the different binaries that women constantly face, Sandoval discusses the ways that Western feminism has not embraced the Third World Woman. Because the Women’s Liberation movement has been criticized as the “white women’s movement”, Sandoval argues that the Third World Woman has been left outside of the movement’s goals and benefits due to the movement’s inherent binary thinking. “…The second wave of U.S. feminism as a ‘white women’s movement’ because it insisted on organizing along the binary gender division male/female alone” (Sandoval, 209). Ultimately, it has been this dichotomous thinking that has led to the separation of women as a collective group, to the segmentation of different ethnicities and socioeconomic groups who work to fight for their own historical and current representation in society.

Lourdes Beneria’s text, Gender, Development, and Globalization: Economics as if All People Mattered, reflects the conviction that women’s issues cannot be isolated and separated from the socioeconomic and cultural contexts in which they are so deeply immersed. The author has two main objectives that she states in the beginning of her text. The first is to examine the ways in which gender has been integrated in economics as a central category of analysis and second, to examine various aspects in development
and the global economy that illustrates the ways in which they interact with the social construction of gender and womanhood. Due to the author’s economic background, she has grounded her research in the material world that in turn, shapes most of the current feminist concerns in development. While focusing on the general questions having to do with issues not normally associated with feminist analysis, the book uses the notion of gender as a central organizing category to discuss selected topics in international development and the global economy by identifying where gender has not been included in contemporary economic theory. “Although Polanyi pointed out that in a market society all production is for sale, he failed to discuss the fact that, parallel to the deepening of market relations, a large proportion on the population engages in unpaid production that is only indirectly linked to the market. Women are disproportionately concentrated in this type of work” (Beneria, 74).

**International Relations, Gender, and Development**

Caroline Sweetman’s text, *Gender, Development, and Money* uses several case studies to examine how development programs have been used to alleviate equality between men and women and end poverty. Her work attempts to uncover the complex relationship between money, wealth, power, and status for policy makers and development researchers. Sweetman argues that by understanding these relationships, future development programs can ensure that they support men and women in poverty in their efforts to achieve prosperity. Her work highlights the gendered nature of development programs by calling for a shift of power within the nuclear family. Sweetman states that within families, women are more likely to spend money on “good” items—staple foods and clothing for the family, while men are more likely to spend
money on non-essential items. This, Sweetman says, is a “clear rational for supporting women in income generating activities, and finding ways of encouraging a shift in gender power relations to ensure that women remain in control of them” (Sweetman, 6).

Rebecca Grant and Kathleen Newland created a reader titled, Gender and International Relations. The reader is comprised of many articles that outline the need for a gendered and feminist perspective in the field of international relations. The reader specifically discusses development strategies that have reinforced a Western versus Third World woman binary. Grant and Newland call for an enhanced field of study that encapsulates women’s experiences in the real world. “The exclusion of women’s experience from the conceptualization of international relations has had negative consequences both for the discipline and for male and female inhabitants of the real world”(Grant and Newland, 5).

**Economic Empowerment, Success, and Gender**

V.S. Ganesamurthy’s work in India: Economic Empowerment of Women, on theoretical problems with women’s economic empowerment is located within India, but has global implications. Ganesamurthy argued that while the goals of women’s entre into the work force is pushed through development programs, it is necessary to address the culturally specific impediments to women entrepreneurs. The authors argue that women in some Third World cultures do not have the collateral security, the proper training and knowledge base, an over dependence on intermediaries, and a family, lifestyle and role conflict that would hinder their ability to succeed. These areas highlight the need for development programs to take specific steps to provide women in developing countries the necessary tools for a successful business.
Beverly Lemire, Ruth Peterson, and Gail Campbell’s work on *Women and Credit: Researching the Past, Refiguring the Future* is a historical analysis of women’s interaction with capitalism and credit programs. The collection of essays begins with a historical understanding of statistical data that has been collected on women and men’s loan transactions and how women and men depend on money or banking institutions differently. The authors argue that if economic development and empowerment is to be obtained, other influences such as societal structure, individual family structure, gendered spheres of work, and education are necessary to understand before development programs and micro lending can be successful.

See bibliography for other texts.