Spring 2014

Constituting the Entrepreneurial Poor: Social Capital, Development, and the Contemporary Microfinance Industry

Luke Allen
Macalester College, lallen1@macalester.edu

Constituting the Entrepreneurial Poor: Social Capital, Development, and the Contemporary Microfinance Industry

Luke Allen

Professor David Blaney, Political Science

May 6, 2014

Acknowledgments

I wish to thank the numerous community members, friends, fellow students, faculty, and staff who helped me at various stages of this project. To my friends and family, for frequently offering a kind word when the project seemed daunting, I am truly grateful. I would also like to thank the members of the Honors Colloquium; special thanks are due to Sam Stuewe and Professor Andrew Latham, who read various early incarnations of this project and offered helpful commentary. Thanks also to Roxanne Fisher, who made the Political Science department a "home" on campus for me even before I became a major. Professor Roopali Phadke's participation on my committee made for an excellent and challenging examination experience, for which I am most grateful. Special thanks are due to Professor Zornitsa Keremidchieva for providing invaluable intellectual and moral support while pushing me to explore new aspects of this project while it was still in its earliest stages, as well as serving on my examining committee. Finally, I wish to thank Professor David Blaney for supervising this project and offering outstanding academic and moral support; I am immensely grateful for all the work that he put in to make this experience so rewarding.

Table of Contents

Introduction

In his 2006 Nobel Lecture, Muhammad Yunus envisioned a future where poverty would be put "in museums."[1] Such a world could be achieved, he argued, so long as the poor had access to the right resources, especially affordable credit. Development donors and the international community more generally echoed Yunus' enthusiasm for "microfinance," with the United Nations declaring 2005 the International Year of Microcredit.[2] Indeed, the microfinance industry continues to grow in terms of the scope of potential borrowers and lenders as well as its monetary valuation, as websites like kiva.org allowed concerned "microlenders" in the Global North to make small loans to "microentrepreneurs" in the Global South.

Yet as microfinance transformed from a fringe form of poverty alleviation to a global industry, crises and fractures emerged that cast doubt on its advocates' claims of ending poverty. In 2007, not long after Yunus and Grameen Bank won the Nobel Peace Prize, the Mexican microfinance organization[3] Compartamos held an Initial Public Offering (IPO) that earned its owners over $150 million and valued the company at well over $1 billion. The IPO attracted the attention of investment firms around the world, but it also called critics' attention to the interest Compartamos charged its borrowers, with effective rates approaching 90% on some loans.[4] Yunus claimed that such interest rates amounted to usury and should not even be considered microfinance, while other actors in

[1] Muhammad Yunus, "The Nobel Lecture," 2006.
[2] See the page for the International Year of Microcredit, www.yearofmicrocredit.org. It is worth noting that while microcredit and microfinance are sometimes used interchangeably, microcredit refers to the provision of credit to the poor, whereas microfinance refers to a broader array of financial services.
[3] Henceforth referred to as MFIs.
[4] Elisabeth Malkin, "Microfinance's Success Sets Off a Debate in Mexico." *New York Times*, April 5, 2008. http://www.nytimes.com/2008/04/05/business/worldbusiness/05micro.html?pagewanted=all

the industry defended Compartamos' decision as necessary to the process of scaling the industry in order to meet the vast demand for credit in the Global South.

This debate took on an even greater urgency in the wake of the "Andhra Pradesh crisis," as hundreds of rural microfinance clients in the Indian state of Andhra Pradesh committed suicide due to heavy indebtedness. The crisis implicated some of the largest MFIs in Indian microfinance, heavily impacting first the regional, then the national, and finally the global market for microfinance. Furthermore, it emerged that field agents for the MFIs in question had in some cases encouraged insolvent borrowers to commit suicide so that the institution could collect life insurance or sell children into prostitution to pay their debts. Critics of the industry claimed that the Andhra Pradesh crisis demonstrated why microfinance does not work. Within the industry itself, different actors identified regulatory failure as the cause of the crisis, while others pointed to excessive commercialization; other advocates argued that it resulted simply from a few rogue MFIs abusing their power. The popular press articles on the crisis painted a drastically different picture from the one Yunus offered of industrious "microentrepreneurs" working their way out of poverty with the help of MFIs.

This project interrogates the microfinance industry's representations of the entrepreneurial poor. I argue that the microfinance industry represents and attempts to constitute a "microfinance subject," an entrepreneurial poor woman[5] that the industry generally understands to be the same across the Global South. Yet I also argue that the microfinance industry recognizes that this subject must be constituted or "programmed"

[5] The bulk of microfinance loans go to women, and the microfinance industry represents them as the intended recipients and beneficiaries of loans. For more analysis on how the microfinance industry and development donors imagine women as the agents of economic growth and empowerment, see Katherine N. Rankin, "Social Capital, Microfinance, and the Politics of Development". *Feminist Economics.* 8 (1): 1-24, 2002.

if microfinance interventions are to be successful. To constitute this subject, the microfinance industry produces and deploys networks (or *agencements*[6]) of technologies, personnel, knowledge, coalitions, and discourses. In what follows, I reframe the critical literature on certain aspects of microfinance practice to offer a performative perspective on the microfinance industry. In doing so, I aim to offer a picture of microfinance *agencements* as well as the forms and distributions of risk these *agencements* produce.

In order to offer a broad sense of the actors involved in the microfinance industry, its trajectory, and the history of its contestation, I begin in Chapter 1 with a brief history of the industry and its relation to and role in changing development paradigms. This history does not provide exhaustive detail, but rather some shared points of reference that serve as context for what follows. In Chapter 2, I explore a central fracture in the industry, between the "Bangladesh" and "post-Washington" approaches to microfinance.[7] Specifically, I look to two "monuments"[8] of microfinance discourse, Muhammad Yunus' *A World Without Poverty* and Marguerite Robinson's *The Microfinance Revolution*, which advocate for the Bangladesh and post-Washington consensuses on microfinance, respectively. This chapter traces the key points of contention between these camps, but it also identifies key resonances such as their representation of an entrepreneurial poor,

---

[6] Following Michel Callon, "What Does it Mean to Say That Economics is Performative?" in *Do Economists Make Markets? On the Performativity of Economics*, edited by Donald A. MacKenzie, Fabian Muniesa, and Lucia Siu. Princeton: Princeton University Press, 2007. See also Chapter 3 of this project for further analysis of the term.

[7] I borrow here from Ananya Roy the language of the "Bangladesh consensus" and "post-Washington consensus" on microfinance. See *Poverty Capital: Microfinance and the Making of Development*, New York: Routledge, 2010.

[8] Following Iver B. Neumann, "Discourse analysis." In *Qualitative Methods in International Relations: A Pluralist Guide*, edited by Audie Klotz and Deepa Prakash, Plagrave Macmillan, London: 2008, 61-77.

what I refer to as a "microfinance subject."[9] In Chapter 3, I argue that through competing *agencements* of skills, ideas, discourses, technologies, and coalitions, the microfinance industry attempts to constitute the "microfinance subject." Yet such *agencements* inevitably have unintended consequences, and I also offer an analysis of how the limitations of the industry's self-understanding become manifest in sporadic crises. In conclusion, I discuss in Chapter 4 the political and ethical implications of the microfinance industry's attempt to constitute "microfinance subjects," as well as alternatives to current microfinance practice.

This analysis of the industry operates on a few assumptions. I take as a point of departure the notion that the ideas, discourses, and languages deployed here are productive. I thus examine two "monuments" of microfinance discourse in order to examine how the microfinance industry understands its clients and the forms of subjectivity that it projects on the poor of the Global South. Yet I also argue that this literature is marked by a tension between the notion that the poor are "inherently entrepreneurial"[10] and recognition of the need to *instill* this form of subjectivity in order for microfinance interventions to be successful. To explain how the industry manages this tension, I turn to the work of actor-network theorists such as Michel Callon, to situate microfinance discourse within a broader framework of social, technical, and material forces--or *agencements*--that shape economic life. Furthermore, I argue that fractures within the microfinance industry beget competing microfinance *agencements*, such as the

---

[9] Drawing here on David Williams' formulation of "liberal subjects" in "Constructing the Economic Space: The World Bank and the Making of Homo Oeconomicus," *Millennium - Journal of International Studies*. 28 (1): 79-99, 1999.

[10] Drawn from Christina Barrineau's quote on the UN Year of Microcredit, cited in Thomas W. Dichter and Malcolm Harper, "Introduction." In *What's Wrong With Microfinance?* Rugby, Warwickshire, UK: Practical Action Pub, 2007.

Bangladesh and post-Washington camps on microfinance, which seek to equip microfinance clients with different forms of subjectivity.

This project contributes to a burgeoning literature that examines the microfinance industry from a performative perspective. Previous analyses of microfinance within this theoretical tradition have examined financial technique and knowledge production within the industry. While these are important contributions, the literature has neglected the relations that these *agencements* create between actors within the industry and clients or "microfinance subjects," which I argue is crucial to understanding the implications of contemporary microfinance practice. Furthermore, I argue in conclusion that identifying the nuances and risks of constituting "microfinance subjects" opens space for the creation of new--and better--microfinance *agencements*.

Chapter 1: The "Microfinance Revolution" Revisited

While small-scale lending initiatives and credit cooperatives have existed for millennia, it was only in 1990 that the term "microfinance" came into widespread usage to describe the provision of financial services to the poor in the Global South.[11] Interest in microfinance grew rapidly, and by the early 2000s some within the development donor community talked of a "microfinance revolution."[12] At around the same time, the World Bank began advocating microfinance as an *alternative* to the structural adjustment policies that had been integral to the development orthodoxy of the 1990s and as a way of ushering in a new development paradigm that prioritized social issues. This section addresses these trends, asking two related questions: first, what accounts for the rise of microfinance within the development donor community? And second, how did microfinance come to be understood as a challenge to neoliberal development orthodoxy? To fully answer these questions, I first offer by way of background a brief history of "the microfinance revolution." This history in no way purports to be exhaustive; rather, it presents a number of moments or events that operate as shared reference points in the history of microfinance and the parallel history of its contestation.

Many histories of microfinance begin with Muhammad Yunus providing informal loans to a group of poor women in rural Bangladesh. This experiment eventually grew into a formal financial institution and Grameen (or "Village") Bank was born. Yunus begins his personal narrative of involvement with microfinance by recounting the poverty

---

[11] Hans Dieter Siebel, "Does History Matter? The Old and the New World of Microfinance in Europe and Asia." Paper presented at *From Moneylenders to Microfinance: Southeast Asia's credit revolution in institutional, economic and cultural perspective*, National University of Singapore, 7-8 October 2005.
[12] Marguerite S. Robinson, *The Microfinance Revolution*. Washington, D.C.: World Bank, 2001.

that he saw in Bangladesh, and especially the effects of the 1974 famine.[13] Seeing the results of "market failure" firsthand while at the same time teaching economics at the University of Dhaka led him to recognize "the emptiness of those theories in the face of crushing hunger and poverty."[14] To Yunus, the theoretical and structural limitations of capitalism—which he tellingly refers to as a "half-developed structure"[15]—meant that mainstream finance could not address the growing needs of those living in poverty. In this sense, Yunus depicts himself as an outsider looking in on the banking industry and development orthodoxy more broadly. Yunus claims that this position constituted an advantage innovating a new approach to poverty alleviation, arguing that "because I am a practical-minded person who initially had no experience in rural development or banking, I was relatively free of the preconceived ideas that tend to limit the thinking of most people in the field."[16] For Yunus, the growth-led model of poverty reduction championed by the development donor community was only part of the solution to global poverty.

Yunus' key innovation in addressing financial exclusion, however, was not extending credit to the poor, but developing a method of ensuring high repayment rates from poor borrowers without needing physical collateral that could easily scale. In the Grameen Bank's "lending circles," continued access to credit for any one borrower was contingent on complete repayment from every borrower in the group. Yunus understood that pressure from within communities created a strong incentive to repay, and thus created a system that placed the onus of disciplining borrowers onto a community or

---

[13] Yunus 2006.
[14] Yunus 2006.
[15] Muhammad Yunus and Karl Weber, *Creating a World Without Poverty: Social Business and the Future of Capitalism*. New York: PublicAffairs, 2007: 18.
[16] Yunus and Weber 2007.

lending circle, as opposed to the lending institution itself.[17] The lending circle thus differs from both informal lending, which often involves moneylenders pressuring borrowers directly to repay, as well as formal credit provision, which generally requires some form of physical collateral.

The scaling of this model depended in large part on institutional support from the development donor community. While the "Grameen model" attracted some attention from scholars and local development practitioners in the 1980s, the larger development donor community invested little in the way of funding or institutional support.[18] This apathy towards microfinance resulted in part from the World Bank's development orthodoxy at the time, which stressed the importance of investing in human and physical capital, ends towards which microfinance held little promise. There was also concern at the Bank that microfinance was "too leftish" to fit within their agenda.[19] But as the development orthodoxy shifted in the mid-1980s, from a policy of creating human capital to one of structural adjustment, microfinance started to gain traction among the international development donor community. The World Bank and other donor institutions began to invest heavily in Grameen "clones" around the world.[20] Institutional investment in microfinance did not merely expand access to financial services for the poor; it turned microfinance, which until then had remained a largely grassroots movement, into a global industry, precipitating the commercialization of microfinance.[21]

---

[17] John Adams and Frank Raymond, "Did Yunus Deserve the Nobel Peace Prize: Microfinance or Macrofarce?" *Journal of Economic Issues.* 42 (2): 435-443, 2008.
[18] Milford Bateman and Ha-Joon Chang, "The Microfinance Illusion." Unpublished manuscript, 2009 http://www.microfinancetransparency.com/evidence/PDF/App.3%20Chang%20Bateman%20article.pdf
[19] Bateman and Chang 2009.
[20] Adams and Raymond 2008.
[21] Deborah Drake and Elisabeth Rhyne, *The Commercialization of Microfinance: Balancing Business and Development*. Bloomfield, Conn: Kumarian Press, 2002.

The World Bank and other institutions in the development donor community also sought to professionalize the field of microfinance.[22] They established the Consultative Group to Assist the Poor (or CGAP; originally known as the Consultative Group to Assist the Poorest).[23] CGAP, housed at the World Bank, produces voluminous literature on “best practices” in microfinance, hosts workshops, and holds a great deal of sway in the production of microfinance knowledge.[24] More practically, the creation of CGAP represented a largely successful effort on the part of development donors to bring microfinance into the fold of standard development practice. The creation of CGAP consolidated pre-existing support for microfinance from governments, development institutions, practitioners, and NGOs.

Large-scale donor institutions also expended a great deal of effort in promoting microfinance through other avenues, notably a set of conferences that culminated in the Microcredit Summit of 1997.[25] While Yunus remained involved with and advocated for the expansion of microcredit, a key divergence in the microfinance movement had emerged between the World Bank model and the Grameen model. The World Bank’s foray into microfinance shifted the emphasis from local ownership and grassroots institutions to expanding mainstream finance firms and incorporating microfinance and institutional production of knowledge within the larger framework of international development. These efforts to promote and expand microfinance during the mid-2000s solidified the industry's standing among development donors and the broader

---

[22] Dichter and Harper 2007.

[23] This shift from "Poorest" to "Poor" perhaps reflects CGAP's position in debates about whether the very poorest populations should receive credit. I elaborate further on this debate and CGAP's role in it in Chapter 2.

[24] Roy 2010.

[25] Dichter and Harper 2007.

international community, as evidenced by the United Nations' declaration of 2005 as the "International Year of Microcredit" and the awarding of the Nobel Peace Prize to Yunus and Grameen Bank in 2006.

While the rapid expansion of the industry generated enthusiasm for microfinance, it also created tremendous controversy. In 2007, mere months after Yunus was awarded the Nobel Peace Prize, Compartamos, a Mexican MFI, raised $467 million from private investors in an Initial Public Offering (IPO). While Yunus quickly denigrated the owners of Compartamos as the "new usurers,"[26] industry observers saw the Compartamos IPO as an inevitable outcome of the commercialization of microfinance. As one microfinance consultant noted in the immediate aftermath of the IPO, "Compartamos is the first but they won't be the last"[27] (a prediction borne out by ensuing MFI IPOs). The conjunction of enthusiasm for microfinance in the abstract and outrage over the commercialization of for-profit microfinance exposes the tensions that arise from competing conceptions of microfinance both as a poverty-alleviation and development tool and as a lucrative financial market.

The Andhra Pradesh crisis of 2010 further underscored the significance of these tensions. In the immediate aftermath of the client suicides, microfinance advocates quickly wrote off the crisis as an isolated phenomenon resulting from the abusive practices of a few bad MFIs. It subsequently emerged, however, that some MFI field agents had pressured highly indebted borrowers to sell daughters into prostitution or

[26] Abhijit V. Banerjee and Esther Duflo. *Poor Economics: A Radical Rethinking of the Way to Fight Global Poverty*. New York: PublicAffairs, 2011.
[27] Quoted in Malkin 2008.

commit suicide so their families could collect life insurance to pay off their debts.[28] Furthermore, some of the largest and most profitable Indian microfinance firms (SKS, Share, Spandana) were implicated in the crisis,[29] vividly illustrating the potential dangers of large-scale commercial microfinance. The involvement of well-known and highly profitable players in the microfinance seriously damaged the credibility of the "microfinance revolution."[30]

The Andhra Pradesh crisis also called attention to the changing nature of the microfinance industry's relation to the broader development donor community. Changes within the industry occurred in conjunction with and in some sense because of large-scale changes in the theory and practice of development from the 1980s on. In the 1970s and 1980s, there was little overlap between the broader development agenda and the goals of the microfinance industry. The World Bank and other large donor institutions understood development in terms of investments in human capital[31] as well as physical capital (especially through investment in large infrastructure projects).[32] Neither of these development emphases generated much interest in microfinance, which most international donor institutions understood as a fringe form of poverty alleviation. In the

---

[28] Philip Mader, "Rise and Fall of Microfinance in India: The Andhra Pradesh Crisis in Perspective." In *Strategic Change* 2, 2013: 55.

[29] Elisabeth Rhyne, "On Microfinance: Who's to Blame for the Crisis in Andhra Pradesh?" *Huffington Post*, November 2, 2010. http://www.huffingtonpost.com/elisabeth-rhyne/on-microfinance-whos-to-b_b_777911.html. SKS had also held a highly publicized and controversial IPO earlier in 2010, in which the company was valued at approximately $1.5 billion (see Chen et al 2010, http://www.cgap.org/sites/default/files/CGAP-Focus-Note-Indian-Microfinance-Goes-Public-The-SKS-Initial-Public-Offering-Sep-2010.pdf).

[30] In India, the crisis destroyed not only MFIs' reputations but also their bottom lines. Following reports of mass suicide, the government of Andhra Pradesh issued an ordinance banning most forms of repayment collection MFIs practiced. Though in theory the ordinance allowed MFIs to function, in reality most microfinance institutions simply shut down in Andhra Pradesh, which accounted for 30% of Indian microfinance (see Mader 2013).

[31] Umud Dalgic, "International Expert Organizations and Policy Adoption". *Cultural Dynamics.* 19 (1) 2007: 5-38.

[32] David Williams, *International Development and Global Politics: History, Theory and Practice*. London: Routledge, 2012.

mid- to late-1980s, however, the World Bank and other multinational development donors began investing heavily in microfinance.[33] This surge of interest and investment in microfinance resulted largely from an ideational shift within donor institutions and national governments towards neoliberalism.

Microfinance as a development tool complemented neoliberal development orthodoxy in a number of respects. For neoliberal development theorists, commercial microfinance offered a new means of bringing the poor within the fold of formal markets, and one that did not require significant state or civil society expenditures. Neoliberal development theorists introduced and popularized the notion of the "informal sector," arguing that economic activity in the global south largely takes place outside the boundaries of market capitalism.[34] Informal activity, these theorists argued, was both less efficient than work "inside" capitalism, and further was not exchangeable on the market. Microeconomic development practice during this period thus concerned itself with turning dead assets into productive capital by moving them "inside" capitalism.[35] By connecting poor micro-entrepreneurs with financial markets and encouraging them to invest in their businesses, neoliberal development theorists hoped that microfinance would contribute to the formalization of economic life throughout the global south.[36]

This expansion (or formalization) of markets was accompanied by the relegation of the state to highly delimited roles throughout the Global South. Responding in part to the failure of Eastern Bloc socialism and the end of the Cold War, and in part to

---

[33] Bateman and Chang 2009.
[34] Dalgic 2007.
[35] As evidenced for example by Hernando de Soto's attempt to formalize housing throughout the global south—see Timothy Mitchell, "The Properties of Markets." In *Do Economists Make Markets? On the Performativity of Economics*, edited by Donald A. MacKenzie, Fabian Muniesa, and Lucia Siu. Princeton: Princeton University Press, 2007.
[36] Dichter and Harper 2007. I return to the role of the informal sector in the imagination of microfinance interventions in Chapter 3.

widespread budget crises, governments and donor institutions introduced "Structural Adjustment Policies," which entailed the elimination of a vast number of public sector jobs as well as rollbacks in state-sponsored social welfare programs intended to mitigate unemployment and poverty. Access to capital became one of the development donor community's favored solutions to the dislocation caused by wholesale elimination of social welfare and state protection, and for some states all but entirely substituted for the provision of social services.[37] The development donor community's reliance on microfinance became especially pronounced as the formal private sector in the Global South failed to absorb the resulting un- and under-employment of former civil servants.[38]

For microfinance advocates, the absorption of the poor into formal economic spaces also made possible their social empowerment. Industry-affiliated think tanks such as CGAP and the Grameen Foundation disseminated numerous case studies showing how economic initiative allowed poor women to mitigate patriarchy within their community or members of untouchable castes to improve their standing.[39] Since many critics attacked neoliberalism for making women and disadvantaged groups bear much of its cost, the notion that microfinance could simultaneously generate growth and address social inequality while requiring limited or no state involvement found a great deal of traction in the development donor community.

The industry's social turn opened up discursive space for the reframing of microfinance that took place around the turn of the millennium, as "antidevelopment" movements sought to contest neoliberal development practice. These movements,

[37] Dalgic 2007.
[38] Julia Elyachar, "Empowerment Money: The World Bank, Non-Governmental Organizations, and the Value of Culture in Egypt." *Public Culture.* 14 (3): 493-513, 2002.
[39] See for instance Robinson 2001.

involving widespread protests such as the “Battle in Seattle” as well as academic and political contestations of neoliberalism, made “development” anathema to international organizations. As Julia Elyachar notes, “development...had evidently been given a discursive burial. No one wanted to defend development anymore—not even the World Bank.”[40] In this context, the project of expanding access to financial services took on new significance, as microfinance became a way for development donor institutions to distance themselves from the language of "development.”

Donor institutions, microfinance-oriented think tanks such as CGAP, and microfinance firms accommodated this new role in part by reframing microfinance discursively. Language about empowerment, local ownership, and social capital began to crop up in the microfinance literature. These discursive shifts offer insight into how microfinance came to operate as what Elyachar terms “the inverse of development.”[41] In particular, the increasing frequency with which language about “social capital” appears in texts produced by donor institutions speaks to the urgency of incorporating social issues into mainstream development discourse. Just as the microfinance industry sought to reframe their mission around empowerment and gender, the World Bank, in its (self-appointed) role as “knowledge bank,” sought to reframe development through the concept of social capital.[42] Social capital continues to play a role in debates about microfinance and development more broadly,[43] while development and research institutions deploy the concept in various ways.[44] More precisely, argue that the

[40] Elyachar 2002: 494.
[41] Elyachar 2002: 494.
[42] Ben Fine, *Social capital versus social theory: political economy and social science at the turn of the millennium*. London: Routledge, 2001.
[43] Roy 2010.
[44] While Fine argues that the concept has recently (and rapidly) fallen out of fashion at the World Bank, he notes that the discursive implications remain, particularly in light of the term’s continued usage in debates

microfinance industry and development donor institutions use to the concept of social capital to coopt antidevelopment movements in order to further neoliberal interventions.

Debates about the role of social capital in development policy have often been characterized by fierce contestation of—and perhaps outright confusion about—what the term actually signifies. The World Bank's 2000-2001 "Voices of the Poor" report, one of the first Bank documents to deploy the concept, defines "social capital" in terms of "the benefits of membership within a social network."[45] These networks can entail familial, professional, or communal ties, and serve as a safeguard against various crises. The 2000-2001 *World Development Report* introduces the idea that social capital enables poor people in the Global South to create economic opportunity out of community ties, arguing that "social norms and networks are a key form of capital that people can use to move out of poverty."[46] Here, social relations supplement other forms of capital that the poor use to mitigate poverty.

Writing against this understanding of social capital, Fine argues that academic and development institutions deploy the concept in order to bring social and historical issues into the inherently asocial, ahistorical framework of market individualism. For Fine, this represents the colonization of the social sciences by neoclassical economics.[47] Due in part to its accommodation of social issues within an essentially economic framework, the

about development and social policy. See Ben Fine, *Theories of Social Capital: Researchers Behaving Badly*, London: Pluto Press, 2010.

[45] Deepa Narayan-Parker, *Can Anyone Hear Us?* New York: Published by Oxford University Press for the World Bank, 2000: 55.

[46] World Bank, *World Development Report 2000/2001: Attacking Poverty*, Oxford University Press 2001: 10.

[47] Fine 2001. In this analysis, social capital owes less to the radical sociology of Pierre Bourdieu than it does to market individualist thinkers such as Gary Becker, James Coleman, and Robert Putnam. Anthony Bebbington, writing in response to Fine and other critics of social capital, notes that some development institutions have used Bourdieu's understanding of social capital, though he also concedes that this occurs somewhat rarely and that these institutions are generally relatively weak branches of larger multilateral institutions (see Anthony Bebbington, "Social Capital and Development Studies II: Can Bourdieu Travel to Policy?" *Progress in Development Studies* 7 (2) 2007: 155-162).

World Bank and other donor institutions deploy social capital discourse strategically in response to antidevelopment movements. Within the domain of development, critics of "social capital" argued that its market individualist framing constructed an inherently entrepreneurial poor, who would respond to the burden of state and market failure through the maximization of their social capital.[48] At the same time, the language of “solidarity” and “empowerment” that recurs in the social capital literature evokes “histories of transformative movements that tended to challenge (rather than accommodate) dominant cultural and political ideologies.”[49] More broadly, the deployment of "social capital" in official development discourse underscores the development donor community's attempt to balance a newfound emphasis on "social issues" within a broadly asocial, neoliberal framework.

Bebbington et al., defending the World Bank's understanding of social capital, argue that while the term may distract from underlying political-economic issues, it nonetheless serves the valuable purpose of introducing social issues to World Bank debates.[50] Within the World Bank, the introduction of social capital debates responded to long-standing critiques of development institutions for their failure to focus on social issues and approach development holistically.[51] For critics of social capital, however, the Bank’s appropriation of this language entailed less an introduction to social issues than a co-optation of these issues. By taking the social “half-seriously,”[52] debating social capital arguably forestalls macro-level change. This is borne out by the observation that while

---

[48] Margit Mayer and Katharine N Rankin. "Social Capital and (Community) Development: A North/South Perspective.” *Antipode.* 34 (4) 2002: 804-808.
[49] Rankin 2002: 805.
[50] Anthony Bebbington et al, "Exploring Social Capital Debates at the World Bank," *Journal of Development Studies,* 40 (5), 2004: 33-64.
[51] Bebbington et al 2004.
[52] Fine 2001.

World Bank language has shifted, World Bank policy has not: the increased traction of social capital in the development community had little bearing on adjustment lending.[53]

Instead, the deployment of "social capital" coincided with (and, as argued above, was in some measure responsible for) broader changes in the way development institutions, academics, and practitioners talked about development. Whereas at the turn of the millennium antidevelopment and anti-globalization movements agitated against structural adjustment and massive economic and sociopolitical disparities between Global North and South, broader debates about development turned to the social aspects of poverty. The UN's Millennium Development Goals indicated a fundamental shift in the conceptualization of poverty, and, along with massive philanthropic involvement from wealthy donors, created a sense that "ethical capitalism" might rescue development from itself.[54] This also came alongside a reframing of poverty by influential economists such as Joseph Stiglitz and Amartya Sen, who understood it not only in terms of material deprivation but also insecurity or risk to realization of one's potential.[55]

The notion that microfinance enabled community-led development lent the industry well to a reframing around the concept of social capital. At the level of group lending, for instance, one microfinance researcher notes that the "use of social capital has proved an extremely effective form of collateral and exemplifies the importance of trust and relationships in economic development."[56] In Yunus' vision, microfinance existed precisely because the poor had no collateral; the Grameen model depended instead on

[53] Bebbington et al 2004; Elyachar 2002.
[54] Dalgic 2007; Roy 2010.
[55] See for instance Joseph E. Stiglitz, *Globalization and its Discontents*. New York: W.W. Norton, 2002.
[56] Kate Maclean, "Capitalizing on Women's Social Capital? Women-Targeted Microfinance in Bolivia," *Development and Change*, 41 (3) 2010: 497.

social pressures to enforce repayment.[57] In the social capital model of microfinance, social pressure—the mechanism for enforcing repayment that characterizes Grameen "clones" around the world[58]—actually consists of individual borrowers offering social capital as collateral against potential default.[59] In this conception, microfinance involves poor borrowers risking their social capital in an entrepreneurial manner to generate growth in both their economic and social capital. Furthermore, as I will argue in Chapter 3, social capital not only reframes development discursively, but also refers to a set of practices and social technologies that allow the microfinance industry to reshape social relations in order to realize the kind of subjectivity imagined in microfinance discourse.

The newfound emphasis on social capital has also allowed MFIs to reframe their mission in terms of empowerment, local solidarity, and grassroots movements. Ananya Roy notes that at the 2011 Microfinance USA conference, the opening speakers declared that they were "building a movement, not an industry,"[60] arguing that while this claim perhaps belied the nature of the conference, it also pointed to the industry's need, in the wake of the Andhra Pradesh crisis, to reframe itself in non-commercial terms. Yet such reframing had already been going on for some time before the Andhra Pradesh crisis. The framing of microfinance had taken a distinctly social turn around the turn of the millennium.[61] In a process analogous to the World Bank's reframing of "development," CGAP reoriented the mission of the microfinance industry around "social" goals. A

---

[57] Muhammad Yunus and Alan Jolis, *Banker to the Poor: Micro-lending and the Battle Against World Poverty*, New York: PublicAffairs, 1999.
[58] Adams and Raymond 2008.
[59] Maclean 2010. Maclean goes on to problematize this use of social capital, arguing that the microfinance industry fails to appreciate the complexity of social relations.
[60] Ananya Roy, "Subjects of Risk: Technologies of Gender in the Making of Millennial Modernity," *Public Culture*, 24 (1) 2012: 131-155.
[61] Dalgic 2007.

CGAP report from 2003 on the possibility of using microfinance to achieve the Millennium Development Goals concludes that:

> Microfinance is unique among development interventions: it can deliver these social benefits on an ongoing, permanent basis and on a large scale. Many well-managed microfinance institutions throughout the world provide financial services in a sustainable way, free of donor support. Microfinance thus offers the potential for a self-propelling cycle of sustainability and massive growth, while providing a powerful impact on the lives of the poor, even the extremely poor.[62]

In this analysis, microfinance presents a unique opportunity to address vast disparities between the Global North and Global South in such areas as health and education, while also allowing donors to reduce their investments in these areas. This explains in large part the development donor community's enthusiasm for the expansion of microfinance. Such optimism about the potential of microfinance is borne out in policy and scholarly literature, where microfinance is offered as a potential solution for issues ranging from Koranic prohibitions on moneylending to the difficulties of post-conflict peace-building.

Yet the tensions arising from the microfinance industry's self-declared transformation from industry to movement raised further questions. Critics of the industry's use of "social capital" noted that the use of the concept to explain good microfinance practice and outcomes was highly arbitrary.[63] Furthermore, the industry failed to differentiate between different kinds of social capital and thus ran the risk of exacerbating hierarchical or oppressive (e.g. patriarchal, classist) social relations.[64] As

---

[62] Elizabeth Littlefield, Jonathon Murdoch, and Syed Hashemi, "Is Microfinance an Effective Strategy to Reach the Millennium Development Goals?" Focus Note #24, Consultative Group to Assist the Poor, 2003. http://www.cgap.org/sites/default/files/CGAP-Focus-Note-Is-Microfinance-an-Effective-Strategy-to-Reach-the-Millennium-Development-Goals-Jan-2003.pdf.

[63] Sanae Ito, "Microfinance and Social Capital: Does Social Capital Help Create Good Practice?" *Development in Practice*, 13 2003: 322-32.

[64] Rankin 2002.

Katharine Rankin notes, “common moral frameworks are not in themselves desirable planning objectives.”[65]

The 2011 Microfinance USA conference offered the industry an opportunity to resolve these tensions in light of the Andhra Pradesh crisis. Thus, the industry sought not only to reframe itself, but also to characterize the problems it faced as a result of “bad” microfinance. The opening speakers offered a narrative wherein overly commercialized firms that did not take sufficient account of “culture” had wrought devastation and havoc on borrower communities. These practices—characterized as usury by Yunus and other industry members critical of commercialized microfinance—had, in their search for profits, gone too far in making use of social pressures. The answer, the speakers claimed, was increased attention to social relations and culture on the part of the MFIs to prevent the recurrence of "bad" microfinance.[66]

The irony of this turn lies in the fact that the industry’s reformulation of social relations into social capital—that is, understanding these relations in terms of entrepreneurialism and risk-taking—led MFIs to intervene in the social lives of communities at a larger scale and at a level that made abusive lending practices more likely. By addressing “social issues” through “social capital,” the microfinance industry risked creating new forms of risk for borrowers; even Robert Putnam, the famous theorizer and proponent of social capital, noted that using social capital to these ends could have catastrophic consequences, as “so strong can be the norm against defection [from the Rotating Savings and Credit Association] that members on the verge of default

[65] Rankin 2002: 8
[66] Roy 2012.

are reported to have sold daughters into prostitution or committed suicide."[67] This observation points to the difficulties the industry faces in balancing its claims of empowering the poor and the intensified forms of risk they ask the poor to take on to achieve this kind of empowerment.

While Yunus and other microfinance advocates blamed the rash of borrower suicides on "usury" and "loan sharks," the conjunction of enthusiasm for microfinance in the abstract and outrage over the methods MFIs use to enforce repayment underscored the tensions arising from the competing roles of microfinance as a tool in the fight against poverty and as a lucrative financial market. Bearing this tension in mind, I examine the microfinance industry's representations of the poor and deployment of "social capital" not as "researchers behaving badly"[68] but rather in terms of the industry's construction of entrepreneurial "microfinance subject." In the next chapter, I examine how two "monuments" of microfinance discourse understand the subjectivities that microfinance interventions instill in clients. While this analysis identifies divergences between the approaches these texts take in understanding "microfinance subjects," I also point to key commonalities between them, most notably the inherent entrepreneurialism of this subject. Furthermore, I situate this theorization in networks of social forces that actors in the microfinance industry deploy so that the industry can realize the conditions of its own possibility.

[67] Cited in Maclean 2010. Putnam's claims, as noted above, were unfortunately borne out by the Andhra Pradesh crisis.

[68] The subtitle of Fine's (2010) book. I return to this debate about the productive implications of social capital in Chapter 3.

Chapter 2: Constituting the "Microfinance Subject"

Despite receiving the Nobel Peace Prize in 2006, Muhammad Yunus was by that time struggling to assert his presence in the movement he had started.[69] The "microfinance revolution" had led to an unprecedented expansion of the microfinance industry, accomplished in large part through the commercialization of microfinance. Yet certain microfinance insiders, Yunus among them, argued that commercialization brought about the very problems that the microfinance industry set out to solve, notably indebtedness, abuse of borrowers, and new forms of financial and social exclusion.

This rift in the industry, between what Ananya Roy terms the post-Washington and Bangladesh consensuses on microfinance, characterizes debates about microfinance to this day. For Roy, the post-Washington consensus celebrates commercial and "sustainable" (i.e. for-profit) microfinance. Due to this emphasis, actors within this consensus often argue that sustainability is a necessary first step to outreach, and so will not loan to the extremely poor or destitute. CGAP organizes this consensus, not only by producing knowledge about microfinance (in the form of technical reports, field manuals, country evaluations, and so on) that confirms the value of sustainability, but also by organizing conferences, holding training sessions, and generally disseminating a form of "best practices" microfinance consistent with post-Washington consensus values.[70]

---

[69] Yunus was forced to leave the Grameen Bank in 2011, ostensibly due to being over the official retirement age in Bangladesh, though more likely because of a rift with the Bangladeshi government after Yunus made a brief foray into politics in 2006. Tensions between Grameen and the government of Bangladesh persisted, culminating in the central bank taking control of Grameen in November of 2013 (see Serajul Quadir, "Bangladesh Brings Microlender Grameen Bank Under Central Bank Supervision," Reuters, Nov 5, 2013.) In a sense, the microcredit movement has come full circle: an institution that began a movement to distance credit provision to the poor from the failures of state-led lending initiatives has now come under state control.

[70] Roy 2010.

The Bangladesh consensus, conversely, champions Grameen's "double bottom line" of social benefits and economic profitability.[71] Aside from creating tangible policy differences within the microfinance industry, this emphasis led Grameen to pursue a number of innovations, such as "social business," wherein businesses reinvest their profits with a view towards generating social benefits (as opposed to increasing profits). Though the Bangladesh consensus looked to be getting drowned out by the scale of investment and institutional support behind the post-Washington consensus sometime in the early 2000s, the Compartamos IPO and Andhra Pradesh scandal have stoked skepticism about commercial microfinance, leading many within the industry to search for alternatives.[72]

In this chapter, I analyze two "monuments"[73] of microfinance discourse that are representative of the two sides of this split, and have played an important role in stimulating debate around these topics. The first key text is Marguerite Robinson's 2001 book *The microfinance revolution*, a curious blend of history, anthropological findings about the poor of the global south, microeconomic analysis, and client testimonials to the power of microfinance. The book was published at the height of enthusiasm about the power of commercial microfinance, nearly coinciding with the publication of other books on the subject such as Deborah Drake and Elisabeth Rhyne's *The commercialization of microfinance*.[74] The second text is Yunus' 2007 book *Creating a world without poverty: social business and the future of capitalism*. Though the text is primarily concerned with Yunus' attempt to pioneer social business, it also examines the "microcredit revolution"

[71] Yunus and Weber 2007.
[72] Roy 2012.
[73] Following Neumann 2008.
[74] Drake and Rhyne 2002.

that inspired his work in social business.[75] Published shortly after Yunus won the Nobel Peace Prize, the text was released at the height of his popular appeal (his acceptance speech serves as the epilogue to the book).

I depart here from previous analyses of microfinance discourse in not only analyzing texts and their productive effects, but also situating these texts and the interventions they make possible within a broader framework of social and technical forces. In this chapter, I examine the ways in which the microfinance industry understands poor borrowers and constructs them as economic agents, before exploring in the next chapter how this form of agency is situated within and constrained by knowledge, institutions, practices, and technologies. While Robinson's and Yunus' texts both represent "microfinance subjects" with salient commonalities across geographies, I argue that microfinance as a *set* of interventions varies locally according to its practice, mediation, or contestation. Furthermore, I show how this local variation plays out in the texts, where the theorization of a universal "microfinance subject"[76] is rendered unstable when confronted with what Gibson-Graham aptly terms "the richness of individual subjects' economic lives."[77]

***The Microfinance Revolution* revisited**

Robinson's book takes as its point of departure the distinction between the "financial systems" and "poverty lending" approaches to microfinance.[78] Robinson not only advocates for the financial systems approach, but excludes poverty lending altogether

[75] Microcredit refers simply to the provision of small loans to poor borrowers, whereas microfinance refers to a broader array of financial services, notably savings.
[76] Theorized in Williams 1999; see Chapter 3 of this project for further analysis of the relation and differences between "liberal subjectivity" and the "microfinance subject."
[77] J.K. Gibson-Graham, *A Postcapitalist Politics*, Minneapolis: University of Minnesota Press, 2006.
[78] This distinction is essentially identical to the divergence Roy (2010) identifies between the Bangladesh and post-Washington consensuses on microfinance (with the former being the poverty-lending and the latter being the financial services approach).

from her definition of the microfinance revolution with which she opens her book: "The microfinance revolution is the process—recently begun, but under way in many developing countries—through which financial services for the economically active poor are implemented on a large scale by multiple, competing, financially self-sufficient institutions."[79] Robinson lumps Grameen Bank "and some of its replicators in other countries" into the category of poverty lending.[80] Perhaps attempting to counter the authority of Yunus, a proponent of the poverty lending approach, Robinson traces the roots of commercial microfinance to nineteenth-century microlending in Europe. This history casts doubt on Yunus' "invention" of microfinance (perhaps rightly so), but it also downplays the indebtedness of contemporary commercial MFIs to the Grameen model's lending circles, which made it possible to scale microfinance services.

While excessive commercialization later became the industry's favored explanation of the abuses that caused the Andhra Pradesh scandal,[81] the early 2000s were a time of great enthusiasm for the possibilities of commercial microfinance.[82] "Best practices" in microfinance at the time unreservedly endorsed the financial systems approach,[83] and as financial institutions recognized that microfinance presented a potentially lucrative new market commercial microfinance spread rapidly. In this context of unbridled enthusiasm, Robinson's use of the term "revolution" to describe this development caught on within the microfinance industry and among its allies.

---

[79] Robinson 2001: 2

[80] Robinson 2001: 22. Perplexingly, the stories of Grameen borrowers turn up in Robinson's section on "Voices of the clients" as testament to the power of microcredit.

[81] Roy 2012.

[82] See for instance Drake and Rhyne 2002.

[83] See Roy 2010 for a fuller account of "best practices" microfinance, which was established in large part through training and seminars, often sponsored by CGAP. The best known of these trainings is the Boulder Institute, where Robinson was for some time an instructor.

This enthusiasm for commercial microfinance coincided with the development donor community's shift towards prioritizing social issues in development. Not long before *The microfinance revolution* was released, Narayan et al's *Voices of the poor* report had raised hopes among those who sought to reform development institutions such as the World Bank for taking social issues seriously.[84] The title of Robinson's "Voices of the clients" section plays on this language, calling attention to the industry's attempt to position itself as part of a new way of thinking about development which prioritizes the needs of the poor. The section, which includes testimonials of microfinance clients from sixteen different countries, also reinforces the text's ability to speak authoritatively about issues concerning the poor.

Robinson notes that "this is not a chapter for statisticians; nothing here is statistically significant."[85] In an endnote to this section, Robinson offers both a critique of existing studies of microfinance and a defense of this approach:

> As a social anthropologist, I am skeptical about the quality of most studies of the impact of microfinance on clients' incomes and enterprises. Such studies are far more difficult to carry out at a high level of quality than most people realize. I have been living in villages in different countries when survey teams have come through asking people about their incomes, assets, debts, participation in development programs, use of credit, and so on. I have also been there when the teams leave and the respondents laugh among themselves about what they told the 'silly people with the pencils' (as one Indian villager put it).[86]

Robinson continues by detailing how her approach of soliciting narratives through successful MFIs allows for a meaningfully diverse representation of client voices.[87] Thus,

[84] Narayan-Parker 2001.
[85] Robinson 2001: 104.
[86] Robinson 2001: 122-23.
[87] In the endnote immediately preceding the one I have excerpted, Robinson defends her choice of only soliciting these narratives from successful MFIs, noting that "it is not difficult to find negative comments from clients in poorly run institutions" (Robinson 2001: 122).

the text establishes its authority in this section through asserting its nuanced understanding of microfinance clients.

Somewhat counter-intuitively, however, this broad array of client voices is primarily characterized by its uniformity. In her comments preceding the "Voices of the clients" section, Robinson asserts the fundamental similarity of the poor throughout the global south in terms of their demand for financial services. Underpinning this claim is the notion that the poor are inherently entrepreneurial, and only lack access to the right services to fully realize these qualities:

> Coming from widely varying cultures, economies, and environments, there are, of course, differences among them. But in my experience, market women in Kenya talk essentially the same business language as market women in Bolivia. Farmers from India and Mexico share similar concerns about crop finance. And in Dhaka (Bangladesh) and Jakarta (Indonesia) slum dwellers who want to store their small savings safely seek a place with many of the same characteristics.[88]

The poor, then, are characterized by the similarity of their needs, suggesting that largely similar interventions will work across geographies and urban/rural divisions. That the poor frame their needs in "business language" further positions microfinance as an intervention suitable to solving these problems.

Understanding the poor as inherently entrepreneurial also suggests that they are well suited to microfinance. In a subsection entitled "Do Poor People Understand Microfinance Products and Services, and Do They Know How to Use Them?" Robinson argues that because the poor have experience managing scarce resources, they will skillfully navigate the world of financial services:

> Financial experts would be hard pressed to teach people like the Peruvian market woman, the wife in the rural Bangladeshi farm family, or the Indonesian waitress

[88] Robinson 2001: 104.

> how to maximize their resources or how to use available financial services better than they already do. If financial services suitable for their needs are available, these people know well how to use them.[89]

In the text, the poor are necessarily financial experts in their own right—by virtue of the fact that they are poor. This allays concerns (more or less identical to those Yunus confronted when he began Grameen Bank) that the poor, and especially the rural poor, are not "bank-minded."[90]

Furthermore, Robinson argues that access to financial services bolsters the self-confidence of clients and helps them become more independent. For one client, her entrepreneurial skill allowed her to improve her standing in the community and achieve her familial goals as a mother:

> BR said that she has gained confidence in her roles as wife, mother, and businesswoman. "Earlier I could not even express myself or stand before people." Now she has set aside bricks to build a house, she pays the children's school fees from the brickmaking business, and she and her husband have plans to build a pub. "I have a happy marriage and my husband respects me. My children are also happy and respect me because I can provide for them and feed them."[91]

Here, the text shows a microentrepreneur using the MFI's services to realize her subjectivity, offering not only economic empowerment but also giving her the confidence to "stand before people." Throughout the "Voices of the Clients" section, poor people from around the world establish their agency through microfinance.

Yet not all the poor are, in Robinson's view, capable of becoming "microfinance subjects." Rather, she distinguishes between the "economically active" and "extremely"

---

[89] Robinson 2001: 110

[90] Robinson 2001: 105. The text refers specifically to Robinson's time advising Bank Rakyat Indonesia, whose expansion into "microbanking" was opposed by some Indonesian government officials on the grounds that the poor would not understand the services offered. Critics and skeptics of the microfinance industry continue to voice these concerns; while CGAP argues that continued demand for microfinance services proves that microfinance benefits the poor, critics have noted that many borrowers take out loans to pay off previous loans (see Dichter 2007; Banerjee and Duflo 2011; Bateman 2010).

[91] Robinson 2001: 112.

poor. At the level of MFI policy, the most obvious manifestation of this distinction is that the financial systems approach "advocates commercial microfinance for the economically active poor and other, subsidized and charitable nonfinancial methods of reducing poverty and creating jobs for the extremely poor."[92] The distinction between these two kinds of poor people points to a need for a specialized intervention for each group (that is, microfinance for the economically active poor and charity for the extremely poor). As Robinson puts it, "the poorest of the poor should not be the responsibility of the financial sector."[93]

Robinson notes, however, that the distinction between the economically active and extremely poor "is not precise." While the term "extremely poor" generally refers to those make less than 75 cents a day, Robinson understands the "extremely poor" specifically as those who either cannot access employment or otherwise are otherwise unable to work (due for instance to displacement, social exclusion, or disability). [94] Robinson qualifies this distinction in two ways. First, the extremely poor can in some instances become economically active, or vice-versa.[95] Membership in one of the groups is not so much tied to the individual characteristics of a poor person as to situational factors such as indebtedness, illness, or lack of access to employment. If circumstances change, the text suggests, an "extremely" poor person could transition into economic activity. Second, the economically active poor do not always meet all the criteria

[92] Robinson 2001: 2.
[93] Robinson 2001: 20. This distinction is one of the main points of contention between the Bangladesh and post-Washington consensuses on microfinance. In Yunus' view, this distinction recreates the problem of "financial apartheid" that Grameen set out to solve. The next section elaborates on Yunus' take on this question more fully.
[94] Robinson 2001: 21.
[95] Robinson 2001: 18.

Robinson offers. Rather, they are simply those who meet some of these benchmarks and are considered "creditworthy."[96]

In one of her footnotes elaborating on the distinction between the economically active and extremely poor, Robinson clarifies that this categorization draws from Henry Mayhew's categorization of poverty in London Labour and the London Poor:

> Mayhew's (1968 [1861], vol. 4, pp. 22–23) classic four-volume study of poverty in 19th century London remains the most comprehensive source on different kinds of poverty, shown from the point of view of the poor themselves. Mayhew divides the population of Great Britain into four categories: those who will work, those who cannot work, those who will not work (vagrants, beggars, criminals), and those who need not work. In the terminology used here, the extremely poor would include many in Mayhew's second category and some in his third category. Access to formal sector commercial microfinance could help the economically active poor in his first category and some of those in his second category.[97]

In actuality, Robinson's categories as deployed in the text owe more to the later work of Charles Booth, a late-Victorian era theorist who revised Mayhew's categorization and opted for a distinction between the "very poor" and the "laboring" poor. For Booth, as for Mayhew, such a distinction implied a moral judgment against those who would not work--a category curiously absent from Robinson's analysis.[98] In her construction of a hard-working, entrepreneurial poor, Robinson downplays the "undeserving" poor, who are subsumed by the category of "those who cannot work."

This distinction breaks down altogether when Robinson presents the stories of individual borrowers. The following interview between an elderly microfinance client and a representative of the Bangladeshi MFI that serves her, which appears in the

96 Robinson 2001.
97 Robinson 2001.
98 Gertrude Himmelfarb, *Poverty and Compassion: The Moral Imagination of the Late Victorians*, New York: Knopf, 1991.

"Voices of the Clients" section, offers an account of an extremely poor client engaging in economic activity:

> AF: As you see, I am a widow. I have no son anymore. If I don't save, what will happen to me when I can't work anymore?
> SKS: Would you mind telling me what is your work?
> AF: You see, I am an old woman. I can't work. So I go from door to door.
> SKS: Please don't mind, do you mean you are a beggar?
> AF: What else can an old woman like me do?
> SKS: Is it hard work?
> AF: Not very. I go out only a few hours, and I don't go every day. It is enough. The people are good. I don't need anything but food.
> SKS: Even so, you save more than some working people do!
> AF: Of course. They have jobs and sons. They don't need to save like I do, do they?[99]

Perhaps the most puzzling aspect of Robinson's inclusion of this interview, at least from the point of view of the debate between the Bangladesh and post-Washington camps, is that in this analysis the extremely poor benefit *more* from microfinance than do the economically active poor. More immediately, however, this interview also underscores the instability of the distinction between the economically active and inactive. To wit, a beggar who fails to meet Robinson's criteria for economic activity due to her inability to obtain formal employment is not only manifestly economically active, but noteworthy in this regard. Furthermore, Robinson asserts that the categories of extremely and economically active poor are not fixed—that is, that they denote conditions and not states of being, and as such extremely poor individuals can become economically active. It is unclear, however, how this can happen except *through* economic activity.

In spite of the tensions in the text, however, *The Microfinance Revolution* became a touchstone for debates within and about the microfinance industry. Meanwhile Yunus, with the ascendance of CGAP and the financial services approach to

---

[99] Robinson 2001

microfinance, was becoming a more marginal figure in the industry. While the microfinance subject constructed by Yunus' text shares key attributes with Robinson's "economically active" poor, Yunus also attempts to put his own stamp on the "microcredit revolution."

Yunus: *Creating a world without poverty*

While *The Microfinance Revolution* frames microfinance as only one poverty-reduction tool among many, Yunus' book holds higher aspirations for the "missing piece of the capitalist system."[100] For Yunus, a university economist by training, the inspiration for microcredit resulted from his first-hand experience with market failure during the Bangladesh famine of 1974. Working on an irrigation project in a rural village, he concluded that the degree to which the challenge the villagers he worked with faced was not so much a lack of productivity but indebtedness due to abusive lending practices by moneylenders. Yunus organized a project with his students to hand out small loans to victims of the moneylenders. The villagers paid these loans back, and Yunus' experiment with microcredit had begun.

Yet in Yunus' account, providing credit to the poor is not so much a question of correcting market failure as fundamentally reshaping capitalism. Integral to Yunus' notion of microfinance is the concept of access to financial services as a human right. By his own account, local bankers scorned his efforts to provide credit to the poor. Yunus argues that this attitude entails "a worldwide system of apartheid."[101] As Ananya Roy notes:

> this approach sees microfinance as explicitly distinct from, and even opposed to, commercial banking. Yunus has repeatedly emphasized that microfinance is not

[100] Yunus and Weber 2007: 101.
[101] Yunus and Weber 2007: 49.

> banking at the bottom of the socio-economic structure; instead it is about turning banking on its head. In short, it is about remaking capitalism.[102]

From its inception, Grameen prioritized poverty-reduction and low interest rates over financial sustainability. Yunus argued that while Grameen was sustainable, international aid should nonetheless be mobilized to expand access to donor-subsidized microfinance.

Recognizing better than most the division in the microfinance industry between the Bangladesh and post-Washington consensuses, Yunus addresses this question in the text. Crucially, however, he reframes this division in terms of interest rates charged to borrowers. He offers a categorization that distinguishes between "poverty-focused" and "profit-maximizing" microcredit institutions.[103] Whereas Robinson argues that the latter can more sustainably address poverty, Yunus argues that their interest rates are "moneylenders' territory," and that furthermore "because of the high interest they charge, these programs cannot be viewed as poverty-focused but rather are commercial enterprises whose main objective appears to be earning large profits for shareholders or other investors." Yunus concludes that such institutions should not properly be considered MFIs. Thus, while Robinson argues that the "poverty-lending" approach is not part of the microfinance revolution, Yunus places profit-maximizing microcredit institutions outside of the microfinance industry as a whole. Leveraging his credentials as the founder of contemporary microcredit, he offers a parting shot at the post-Washington consensus on microfinance: "microcredit was created to protect the people from moneylenders, not to create more moneylenders."[104]

---

[102] Roy 2010: 23
[103] Yunus and Weber 2007: 68
[104] Yunus and Weber 2007: 69

In spite of this dispute over how microfinance institutions should approach lending to the poor, however, Yunus' text shares with Robinson's a language of entrepreneurialism. While Yunus remains skeptical about unfettered capitalism in its current manifestation, he insists on the value of hard work for the poor to lift themselves out of poverty: "Grameen Bank offers the poor not handouts or grants but credit--loans they must repay, with interest, through their own productive work."[105] Like Robinson, he depicts the poor as entrepreneurs whose work will flourish within the right structures. He also echoes her emphasis on economic activity, quoting from a letter sent from an American friend who visited rural Bangladesh and called it "an incredible bee hive [sic] of economic activity...in practically every house or yard you pass, you see people at work, making or fixing or preparing things for trade." This scene offers a visible contrast to the economically depressed counties of rural America, the friend believes, where economic activity is indiscernible. The presence of the entrepreneurial poor of the Global South[106] remains a distinct aspect of microfinance discourse across consensuses.

Superficially, Yunus' treatment of "economic activity" would seem to be more encompassing than Robinson's. Grameen, he notes, has a microlending program specifically for beggars, which charges no interest and allows them to establish their own repayment schedule. Such an arrangement violates a number of tenets of the financial services approach to microfinance, notably that such loans are not "sustainable" and because such beggars fall outside the bounds of "economic activity" in Robinson's terms. Yunus' program, however, illustrates the instability of this binary between the

[105] Yunus and Weber 2007: 56
[106] Yunus, notably, does not paint with as broad a brush as Robinson in this regard: whereas the latter states that poor people from all over the world are largely the same, Yunus generally speaks to his experience working in Bangladesh.

economically active and extremely poor, since many of these borrowers use these loans to sell goods door-to-door, and some (Yunus estimates as many as ten percent) eventually graduate and start taking out larger loans at interest. The poor, for Yunus, are united by their entrepreneurialism.

Yunus' description of Grameen's social agenda suggests that Grameen also provides a structure within which borrowers create and perform an entrepreneurial identity. This performance most notably manifests itself in the "Sixteen Decisions" adopted by Grameen's borrowers. Some of the Decisions encourage borrowers to be frugal ("6. We shall plan to keep our families small. We shall minimize our expenditures"), while others pertain to health, housing, and sanitation. Such Decisions offer a sense of the byproducts of a prosperous, growing community. Most explicitly, however, a few decisions appeal to the need to work hard to achieve prosperity and economic growth, as a responsibility to borrowers' families and communities: "1. The four principles of Grameen Bank--Discipline, Unity, Courage, and Hard Work--we shall follow and advance in all walks of our lives. 2. We shall bring prosperity to our familes." Decision 13 most clearly reflects the entrepreneurial nature of the Decisions: "For higher income we shall collectively undertake bigger investments." Grameen actively seeks to instill these principles in its borrowers, for as Yunus notes, "every new members of the bank is expected to learn the Sixteen Decisions and to pledge to follow them."[107] Yunus shows that Grameen not only offers resources to poor entrepreneurs, but also creates more entrepreneurs from within the ranks of the poor.

It is worth remembering that for Yunus, this creation of new entrepreneurs is also made possible by a new kind of institution attempting to create a new kind of economics.

[107] Yunus and Weber 2007: 58-59.

While the emphasis on "higher income" through "bigger investments" might suggest that Yunus views capital accumulation as an end in itself, he voices skepticism at several points in the text on precisely this question, arguing that people are not motivated only by the desire for profit and that the structure of capitalism needs to incorporate social concerns. In seeking to remake capitalism "from the bottom up," he suggests that microcredit is the beginning of a larger process of rethinking capitalist institutions--the next step of which he hopes to realize with social business. Paradoxically, then, Yunus' book is saturated both with the rhetoric of the entrepreneurial poor and admonitions of the capitalist system for not offering an outlet for such entrepreneurial energy.

Encountering antidevelopment

In this section I analyzed two "monuments" of microfinance discourse to examine how they mapped onto debates within the industry. The texts in question represent two divergent perspectives on microfinance--what I have opted to call the Bangladesh and post-Washington consensuses, following Ananya Roy--though what distinguishes these approaches is also a matter of contention within the texts themselves. Yet in spite of these differences, both texts engage in the construction of an entrepreneurial poor able to grow their assets if given the chance.

Paradoxically, this appeal to market values--rooted at least partly in Victorian-era beliefs about the deserving poor, as I note in reference to Robinson's distinction between the "extremely" and "economically active" poor--serves to counter antidevelopment movements by emphasizing poor entrepreneurs and their rootedness in communities, even as the MFIs simultaneously engage in the process of constituting these entrepreneurs. Elyachar's apt observation that "microinformality is where antidevelopment found its development home"[108] underscores the microfinance industry's success in framing entrepreneurialism in social terms. The monuments in question serve not only to construct the poor in particular ways, but also are engaged in producing a particular kind of economic rationality for poor borrowers and for the development donor community.

The texts diverge, however, in terms of how subjects can realize this agency and what conditions subjects must escape to do so. Yunus' text frames his experiment with and innovations in microlending as a response to the historically longstanding problem of predatory moneylending. Addressing the power imbalance between moneylenders and poor women--and the ultimate transformation of the latter into microentrepreneurs--assumes a centrality to the "microcredit revolution." Yunus' text critiques the practices of commercialized MFIs for recreating the exploitation inherent in moneylending under the guise of microfinance. Yunus' narrative, then, underscores not so much the problem of the poor's lack of access to capital, as the need to change the particular social and power relations conditioning such access.

Robinson's text refers only in passing to the legacy of moneylending, perhaps for fear of inviting the comparison that Yunus draws between commercial MFIs with high interest rates and usury. In her text, technical--rather than social--barriers prevent the provision of formal, secure financial services to the poor.[109] In arguing that the key condition preventing the entrepreneurial poor from expanding their economic and social capital is lack of access to capital, which in turn would allow "microfinance subjects" to subvert oppressive social relations within their communities, Robinson's text inverts

[108] Elyachar 2002.
[109] See for instance Robinson 2001: 35, excerpted in this paper at the beginning of Chapter 3.

Yunus' narrative about access to capital and exploitation. In this view, informal moneylending becomes an important predecessor to the contemporary microfinance industry, that contemporary MFIs, through superior techniques, have transcended.

This rift over the nature of the "microfinance subject" plays out not only at the level of discourse, but in terms of the technologies, coalitions, cultural norms, and personnel the Bangladesh and post-Washington camps deploy and assemble in attempting to produce this subject. These divergent assemblages, in turn, bear on how the "microfinance subject" relates to the MFI and thus on how she is produced. In what follows, I examine the process by which actors in the microfinance industry equip clients to become "microfinance subjects." Yet the production of the microfinance subject is not so straightforward as her theorization, and in this vein I show that crises in microfinance demonstrate the limitations of the industry's self-understanding.

Chapter 3: Economic Performativity, Microfinance, and the Politics of Development

> Nearly every economist I meet asks the same question: if formal sector microfinance is profitable, and if there is high demand, why has the demand not been met? The primary answer is the lack of appropriate and efficient financial technology and the lack of information that prevailed until recently.[110]

Economic Performativity Theory

The two "monuments" of the microfinance literature examined in Chapter 2 offer a distinction between the ways in which the Bangladesh and post-Washington camps construct microfinance subjectivity. Yet while these subjectivities differ in certain respects, the texts also point to certain commonalities intrinsic to the industry's imagination of the "microfinance subject." In both Yunus' and Robinson's texts, the poor of the Global South intuitively understand finance, work hard, and use their assets masterfully to manage their household income and grow their capital. Both texts argue that good MFIs provide the capital necessary for the entrepreneurial poor to reach their full potential.

Yet there is also a tension in this narrative, for much of the debate over "best practices" in the microfinance industry concerns how to ensure client responsibility and repayment. In a 1995 training session organized by USAID Cairo, a consultant explained the value of understanding culture in ensuring high repayment rates among microcredit borrowers: "In every culture there is something that works, and the thing is to find out what that is. Is it the headman, the religious leader, community pressure, or the police? Find out what it is, and use it."[111] My own exposure to the disciplinary apparatus of MFIs came in 2012, when a microfinance practitioner teaching a class for my study abroad

[110] Robinson 2001: 35
[111] Regional Professional Development Seminar for the Near East," organized by USAID Cairo, 7 June 1995. Cited in Elyachar 2002: 509.

program in Senegal defended his decision to have insolvent borrowers thrown in jail, arguing that it was the only way to prevent widespread defaults. Both cases speak to the disciplinary power necessary to constitute new entrepreneurs from the ranks of the poor in the Global South.

Following Lasse Henriksen's observation that "questions of epistemic domination and control in the performativity of economics have been at the periphery of the narrower performativity research agenda,"[112] I attempt to reconcile extant critiques of microfinance with a performative perspective on the microfinance industry. I argue there remains a gap between the theorization of an entrepreneurial poor in the texts I have analyzed and the more ambiguous realities of microfinance practice. In this chapter, I review selections from the literature on economic performativity theory in order to reframe the relation between microfinance theory and practice in terms of its mediation along the lines of culture, knowledge, power, institutions, personnel, and technologies. Furthermore, I argue that this mediation does not always produce "felicitous" results.[113] Rather, events such as the Andhra Pradesh crisis and the Compartamos IPO, as well as widespread co-optation of MFI projects by poor clients who repurpose them for their own needs,[114] point to the limitations of the industry's understanding of the *agencements* at play.

Economic performativity theory takes as its point of departure the premise that economics is not a science that observes something external to itself, but rather is implicated in creating the worlds that it describes. In this view, as Timothy Mitchell aptly

[112] Lasse F. Henriksen, "Performativity and the Politics of Equipping for Calculation: Constructing a Global Market for Microfinance," *International Political Sociology*, 7 (4) 2013: 408.
[113] Borrowing from John Austin, "How to do Things With Words," Cambridge: Harvard University Press, 1962.
[114] See for instance Rankin 2002 for an analysis of this phenomenon, or Banerjee and Duflo 2011 on the use of microfinance loans for consumption smoothing.

puts it, "the effectiveness of economics rests on what it does, not on what it says."[115] This perspective suggests that economic theory is at its core political, for, as Mitchell notes,

> in helping to constitute the apparent border between the market and the nonmarket, economics contributes to the work of sociotechnical mechanisms that reorganize how people live, the political claims they can make, and the assets they can control.[116]

Economic interventions, then, are inherently normative and political projects. David Williams' critique of the World Bank anticipates this claim in noting that IOs and NGOs "are engaged in very intrusive interventions in the pursuit of the creation of rational subjectivity."[117] Such a process is analogous to the way in which MFIs attempt to create microfinance subjects through the disciplinary mechanisms of social pressure or police force.

Yet the performative view of economics does not equate economic theory with a self-fulfilling prophecy, which would suggest that any new theory is equally well suited to reshape economic life. Rather, the particular "sociotechnical *agencements*" at play--that is, different materialities, social forces, ideologies, arrangements of power, and so on--contribute to whether and to what degree a theory can contribute to "the construction of the reality it describes."[118] In order for economic performativity theory to contribute to an understanding of economic life it must be understood not merely as a critique of economic theory, for "to view economics as a body of ideas is far too narrow, for economics also consists of people, skills, datasets, techniques, procedures, tools, and so

[115] Mitchell 2007.
[116] Mitchell 2007.
[117] Williams 1999.
[118] Callon 2007. The term *agencement* comes from French and, as Callon notes, has no exact English equivalent, but "its meaning is very close to 'arrangement' (or 'assemblage'). It conveys the idea of a combination of heterogeneous elements that have been carefully adjusted to one another."

on."[119] This approach avoids the reductionism of viewing economics as a totalizing, misrepresentative discourse and rather situates it among other productive forces that give a fuller picture of--to return again to Gibson-Graham's formulation--the "the richness of individual subjects' economic lives."[120]

Understanding economics not as a science studying phenomena external to it but rather as a field where actors deploy competing forms of expertise, authority, legitimacy, and ownership to reshape economic life means also viewing the project of "development" in these terms. In this vein, Timothy Mitchell's essay "The Properties of Markets" reframes Hernando de Soto's work on the formalization of property rights in the Global South in terms of the political and sociotechnical interventions it makes possible. Specifically, Mitchell takes issue with de Soto's argument that the "secret" to successful capitalism lies in instituting formal property mechanisms at the level of the state. By turning "dead" (informal) assets into "live" (formal) capital, de Soto argues, the poor of the Global South can use their assets, in particular their homes, as collateral with which they can access the credit economy. For de Soto, this transition makes greater capital accumulation possible for the poor and ultimately paves the way for the success of markets in spaces that de Soto believes currently fall "outside" the boundaries of capitalism.[121] Yet as de Soto notes, this reorganization of economic life necessitates a redistribution of risk that actually makes the poor of the Global South *less* secure.[122] I

[119] Donald A. MacKenzie, Fabian Muniesa, and Lucia Siu, "Introduction." In *Do Economists Make Markets? On the Performativity of Economics*, edited by Donald A. MacKenzie, Fabian Muniesa, and Lucia Siu, Princeton: Princeton University Press, 2007.
[120] Gibson-Graham 2006.
[121] Mitchell 2007.
[122] Mitchell 2007.

will return shortly to the theme of redistributing risk in the context of the microfinance industry.

Mitchell's insight is to identify the ways in which de Soto's work is a "(mis)representation,"[123] while also taking seriously the productive power of his ideas and the *agencements* underpinning them. De Soto has effectively built a consensus behind his theories through his think-tank, the Institute for Liberty and Democracy (ILD). Through de Soto's connections with influential policymakers and neoliberal theorists, the ILD has obtained bid-free contracts from heads of state in the Global South to implement his prescribed policies.[124] De Soto's arguments also resonate with the development donor community and international organizations in part, Mitchell argues, because they deploy the trope of the poor as entrepreneurs lacking only the right structural conditions to succeed.[125] These political, social, and discursive conditions underpin an *agencement* that allows for the realization of de Soto's model in spite of academic economists' concerns over its empirical rigor.

The economic performativity theory literature offers a new perspective on debates about "development" and microfinance that take for granted the microfinance industry's discourse of the entrepreneurial poor, or interrogate it solely in terms of its value as a (mis)representation. Just as sociotechnical *agencements* underpin de Soto's theorization of an entrepreneurial poor, other discourses, coalitions, techniques, and personnel form *agencements* that mediate the theorization and constitution of the "microfinance subject."

---

[123] Mitchell 2007. Mitchell argues that de Soto's research is faulty, since the formalization of property in the Global North has led to lower home ownership rates, and that where property has been broadly formalized in the Global South there has been little or no resulting alleviation of poverty or economic growth.
[124] Mitchell 2007.
[125] Mitchell 2007. As noted previously, such perceptions of poverty have also contributed to broadening the appeal of microfinance.

Furthermore, while much of this mediation is "felicitous" (that is, the conditions required for the realization of the world the industry is predicated on are met), I argue that crises such as the mass suicides in Andhra Pradesh can be attributed to the limits of the industry's understanding of these *agencements*. My goal in this analysis is not to identify every actor, technology, or social force at play in microfinance *agencements*, but rather to reformulate themes that I have already examined in terms of the economic performativity theory literature. In what follows, I first revisit the debate between the post-Washington and Bangladesh consensuses on microfinance, outlined in Chapter 2. I then turn from the larger IOs that generate microfinance knowledge to the MFIs that deploy it in order to produce "microfinance subjects." Having outlined the role that institutions perform in this *agencement*, I review the technologies that MFIs deploy in attempting to produce "microfinance subjects," paying particular attention to the role of "social capital." In conclusion, I examine the implications of a performative understanding of microfinance, calling attention to the reallocation and intensification of risk for the "microfinance subject."

Constituting the "Microfinance Subject"

While Chapters 1 and 2 underscored the fracture within the microfinance industry between the Bangladesh and post-Washington camps, the attempt to constitute an entrepreneurial "microfinance subject" remains a relatively constant facet of the literature on microfinance practice across this divide. This process resonates with critiques of the role NGOs play in forming what David Williams terms "liberal subjectivity" among the poor of the Global South, speaking to the power institutions wield in making micro-level interventions regardless of their appeal to the subjects in question.[126] The constitution of such subjects, as Tom Young puts it, entails "programming, not propositions."[127] Young and Williams' observations point to a need for greater attention to the processes by which MFIs must equip the poor of the Global South with technologies, skills, languages, and resources to realize a particular form of "calculative agency."[128]

Yet the "liberal subjectivity" identified by Young and Williams, characterized primarily by its internalization of and adherence to neoliberal norms, does not capture the specificity of the subjectivities[129] that MFIs attempt to produce. Rather, four key traits of the "microfinance subject" recur in the microfinance literature. First, she is "tremendously entrepreneurial."[130] Having been forged by the experience of managing scarce resources, she uses her assets masterfully to expand her microenterprise and accumulate economic and social capital. Second, the "microfinance subject" is based on the gendered model of "rational economic woman." This belief in the "hidden entrepreneurial qualities" of the third-world woman means that the majority of microfinance loans are made to women.[131] Much of the literature on the social benefits of microfinance underscores the benefits communities in the Global South could reap from women realizing this kind of agency. Third, the microfinance subject remains poor only because structural conditions prevent her from realizing her full potential (though precisely which structural conditions the industry must remedy remains a point of

---

[126] Williams 1999.
[127] Tom Young, "'A Project to be Realised': Global Liberalism and Contemporary Africa," *Millennium - Journal of International Studies*, 24 1995: 527-46.
[128] Henriksen 2013.
[129] I will outline shortly the ways in which the "microfinance subject" *differs* across the Bangladesh and post-Washington camps, and what implications this has for the production of this subject and her relation to MFIs.
[130] Christina Barrineau on the UN Year of Microcredit, cited in Dichter and Harper 2007.
[131] Rankin 2002.

contention across the camps). Finally, the "microfinance subject" is fundamentally similar around the world: she speaks the same "business language," faces the same obstacles, and is amenable to the same interventions.[132]

Crucially, however, the industry also predicates much of its "best practices" on the notion that the "microfinance subject" does not exist prior to microfinance. David Williams' claim that NGO and IO interventions in the Global South constitute an attempt to *instill* "liberal subjectivity" (rather than presupposing its existence) suggests that MFIs must constitute "microfinance subjects" in order for the industry to realize the conditions of its own success.

Furthermore, while the "microfinance subject" theorized by the industry remains generally constant across fractures, the Bangladesh and post-Washington take different approaches to realizing her production, creating competing *agencements* that differ along the lines of the discourses, coalitions, personnel, and technologies they deploy. In what follows, I revisit aspects of the microfinance industry that I have touched on previously, and reframe them in terms of their role in microfinance *agencements*, with special attention to the roles of the Bangladesh and post-Washington camps in creating competing *agencements* and the various felicity conditions underpinning these *agencements*.

Coalition-building and knowledge production are integral processes in the constitution of both camps. For the post-Washington consensus, CGAP plays a crucial role in organizing and equipping other actors within this camp. CGAP tracks supply and demand for microfinance funding through a repository known as the Microfinance

[132] See the analysis of Robinson 2001 in Chapter 2 on the question of the similarity of microfinance clients throughout the Global South.

Informations Exchange (or "the MIX").[133] Given the microfinance industry's reputation for being fractured, poorly defined, and difficult to monitor, the MIX serves the important function of creating a clear and accessible market for microfinance funding. CGAP also produces microfinance "experts" with the appropriate skills and values through the Boulder Institute, a training institute for microfinance professionals to learn industry "best practices."[134] CGAP supplements the creation of skilled practitioners with voluminous knowledge production. The production of experts and expertise allows for the creation of a market for microfinance.

Private actors also play an important role in equipping post-Washington consensus MFIs with the tools to commercialize. Aitken identifies three processes that enable what he terms "micro/financialization," namely valuation, intermediation, and securitization.[135] Valuation refers to the processes that establish the value of microfinancial assets. Some MFIs--notably Compartamos[136]--have established this valuation through Initial Public Offerings (IPOs), transferring ownership of these MFIs into the hands of "private financial agents."[137] Intermediation, in turn, refers to the processes by which financial agents can access MFIs as formal, investable objects. Firms often accomplish this through the use of "micro-credit investment vehicles," or MIVs, which in turn rely on networks of financial partners, charities, and microcredit recipients. MIVs, then, allow investors to "access micro-borrowers as an increasingly mainstream

---

[133] Henrikson 2013: 417-18
[134] For more on the Boulder Institute and its reflection of post-Washington consensus values, see Roy 2010.
[135] Rob Aitken, "The Financialization of Microcredit," *Development and Change*, 44 (3) 2013.
[136] For a discussion of the implications of the Compartamos IPO on microfinance as a governable financial object, see Rob Aitken, "Ambiguous Incorporations: Microfinance and Global Governmentality," *Global Networks*, 10 (2) 2010.
[137] Aitken 2013: 483-84.

financial asset."[138] Finally, securitization allows MFIs to disperse their risk throughout markets through, for instance, Collateralized Debt Obligations (CDOs). These techniques reflect the importation of financial technique from the Anglo-American "center" of finance to the "edges" of the global financial economy, enabling the dispersion of risk MFIs take on in lending to the poor into formal financial markets. Furthermore, MFIs that began as non-profit organizations have, by holding IPOs and offering CDOs, transformed into commercialized MFIs accessible as mainstream financial assets.[139] Commercialization occurred, then, not so much as a result of "consensus" but rather due to the establishment of techniques that allowed Bangladesh camp MFIs to rapidly commercialize by transforming how they disperse risk, and the creation of a regularized, formalized market that made commercial MFIs accessible assets.[140]

The Bangladesh camp, in turn, counters these techniques of commercialization with *agencements* more conducive to their model of microfinance. While CGAP's role as a "clearing house"[141] for microfinance research has no exact corollary within the Bangladesh consensus, the Grameen Foundation produces microfinance knowledge and technologies with a view towards building coalitions around their approach to microfinance. Thus, the Grameen Foundation not only advocates for a greater emphasis on social issues in microfinance, but also measures the social impact of investments through the Progress Out of Poverty Index.[142] This approach differs starkly from the post-Washington camp approach to social issues, which views them as secondary to the

---

[138] Aitken 2013: 484.
[139] Aitken 2013.
[140] Aitken 2013.
[141] Henrikson 2013.
[142] See the Grameen page "Tools for Anti-Poverty Organizations," http://www.grameenfoundation.org/what-we-do/tools-anti-poverty-organizations.

business of microfinance. Furthermore, the Grameen Foundation produces knowledge centered on Bangladesh consensus values, particularly with regards to the social impact of investment. This knowledge production has allowed Grameen to build a network of international organizations, MFIs, NGOs, and private corporations[143] around the Bangladesh consensus on microfinance.

Although both camps must create markets for microfinance, their approaches to creating these markets differ. The *agencement* underpinning the post-Washington approach to microfinance includes commercialization as part of its network, while commercialization itself relies upon a network of techniques, skills, and personnel. Bangladesh consensus microfinance, in turn, contests the process of commercialization, and relies upon different networks--for instance, coalitions with governmental and nongovernmental entities that offer cheap publically or privately subsidized loans to Bangladesh camp MFIs--to bring microfinance into the fold of formal, accessible financial markets.[144] Within both camps, then, MFIs disperse some of the risk inherent in microlending onto other actors--and yet, in both camps, the "microfinance subject" herself also shares the risk that MFIs create. This involves the creation of different microfinance *riskscapes*, or ways in which the industry capitalizes on and relates to risk.

[143] Two private partnerships with Grameen merit a brief mention here. The first is Grameen's partnership with Danone, which Yunus credits as his inspiration for developing "social business" as a concept (Yunus 2007). In this partnership, Danone worked with Grameen's network of borrowers and employees to provide low-cost food to Bangladeshi markets, and the profits were in turn channeled back into the business (the hallmark of social businesses). Within this partnership, then, Bangladesh consensus prioritization of social benefits is reflected in the incentive structure of this new "social business." Yet Grameen's ill-fated partnership with Monsanto also demonstrates the dangers of the Bangladesh camp's balance between fiduciary considerations and social benefits, as the use of Grameen's networks to enforce Monsanto's seed-buying regulations struck many outside the industry as coercive. The partnership was ultimately abandoned due to widespread outcry over this policy.

[144] Henriksen 2013.

In what follows, I explore the relation between the market for this form of risk and its bearing on individual clients.

Different markets for microfinance produce different relations between MFIs and subjects and different subjectivities. Young's argument that NGOs in the Global South are engaged in "programming"[145] also pertains to the work of MFIs in constituting "microfinance subjects." Grameen's "Sixteen Decisions"[146] offers an example of the MFI's attempt to make clients internalize (literally, through memorization and repetition) entrepreneurial values. Yet the Sixteen Decisions also demonstrate how the constitution of "microfinance subjects" differs from the creation of the "liberal subjectivity" Williams identifies, since many of the Decisions address social issues (poor health, unsanitary living conditions, lack of access to education, and so on) that relate to the "microfinance subject" not only as an entrepreneur but also as a provider for her family and community.[147]

There is, however, a rift here as well in terms of how Bangladesh and post-Washington MFIs seek to equip their subjects. Post-Washington camp MFIs prioritize both outreach (offering microfinance to as many potential clients as possible) and providing as broad an array of financial services as possible to clients, especially savings. Bangladesh camp MFIs, on the other hand, often provide skills training to clients in their formation as entrepreneurs, as well as services relating to their social and poverty-alleviation goals, such as family planning and working with clients to access education.[148]

[145] Young 1995.
[146] See Chapter 2 of this project and Yunus and Weber 2007 for further discussion of the Sixteen Decisions.
[147] Furthermore, the relation between MFI and "microfinance subject" differs from that between the NGO and "liberal subject" of Williams' and Young's analyses insofar as the subject, and not the institution, bears the burden of cutbacks in public social services.
[148] Robinson 2001: 26; Yunus and Jolis 1999.

Furthermore, while some Bangladesh camp MFIs have moved towards offering a broader array of financial services as well, the Bangladesh consensus prioritization of credit remains evident in Yunus' reformulation of the "microfinance revolution" as the "microcredit revolution." The divergent skills and services with which MFIs equip "microfinance subjects" reflect the divergent ways in which the Bangladesh and post-Washington camps on microfinance imagine their clients' subjectivities, and especially what clients must escape to realize this subjectivity. Post-Washington camp MFIs prioritize the provision of financial services and outreach since within this consensus the "microfinance subject" suffers primarily due to her lack of access to capital, whereas for Bangladesh camp MFIs, alleviating not only poverty (through financial services) but also its consequences (through social services) remains central to its model.

The differences in how the Bangladesh and post-Washington camps imagine microfinance subjectivity is reflected not only in the imagination of clients, but also in the relation between the "microfinance subject" and the MFI field agent charged with enforcing repayment. In the case of Grameen, field agents supplement (or, in cases where individual contracts are offered in lieu of group lending, replace) the social pressure of lending circles. Yet Grameen's employees also monitor clients' adherence to the social norms and objectives set out in the Sixteen Decisions. Grameen thus rewards staff members based on whether their clients meet certain social thresholds, such as keeping their children in school.[149] Post-Washington MFIs, conversely, often hire "external agents"[150] to recruit new clients and enforce repayment, and in some cases these agents' compensation is tied to repayment rates. Furthermore, critics have called attention to the

[149] Yunus and Weber 2007.
[150] Mader 2013.

social harm of the most extreme forms of enforcement practiced by commercial MFIs, such as pressuring borrowers to commit suicide or sell children into prostitution to pay off debts. The difference in how MFIs imagine microfinance subjectivity creates a stark contrast in the kind of personnel MFIs deploy to enforce repayment, and how these personnel relate to clients and their families.

Divergent constructions of microfinance subjectivity also play into the techniques MFIs deploy to discipline subjects. Both the "best practices" and critical literature on microfinance have devoted some attention to how MFIs ensure high repayment rates and instill entrepreneurial identity and values. While I argued in Chapter 1 that the concept of social capital reframes financial interventions in terms of social issues, I now turn to the ways in which "social capital" refers to a set of technologies and practices the microfinance industry uses to realize the conditions of its own possibility. Previous debates about microfinance and social capital have revolved around the question of whether the concept of "social capital" has analytical value for describing successful microfinance programs and the social relations that MFIs draw upon to establish their practices.[151] Yet these debates often overlook the productive aspects of social capital discourse and what it makes possible as a concept as well as part of the sociotechnical *agencements* underpinning microfinance.

This inattention to the role of "social capital" in microfinance *agencements* is especially important because this role has changed over the course of the industry's expansion. Yunus' key innovation in making microfinance a global industry, as noted in Chapter 1, was arranging borrowers in a group where access to credit for any one

[151] For a critical interrogation of microfinance and social capital, see Fine 2001; Rankin 2002; Ito 2003; Fine 2010. For a defense of the World Bank's use of the concept, see Bebbington et al 2004. I also outline this debate in Chapter 1 of this project.

member was contingent upon repayment from the entire group, thus reconfiguring social norms in relation to lending circles. It was the transformation of social relations into a form of collateral known as "social capital" that so many Grameen "clones" emulated in the 1980s and 1990s, allowing the fledgling industry to rapidly scale up.[152] After the development donor community's turn to social issues around the turn of the millennium, microfinance advocates reframed this disciplinary mechanism in terms of social capital: now, microentrepreneurs offered "social capital" as a form of collateral.[153] Paradoxically, this formulation coincided with a move in the industry, during the mid 2000s, away from group lending and towards individual contracts.[154]

Yet, as demonstrated by the behavior of MFI collectors during the Andhra Pradesh crisis, social pressures and the threat of losing respect and standing in a community--concepts pioneered by Yunus in order to ensure the success of his lending circles--continued to play a role in enforcing individual repayment. Egregious and predatory MFI behavior (for instance, encouraging insolvent borrowers to commit suicide so a MFI could collect the life insurance) was made possible in part by conceiving of social relations as a form of collateral that MFIs could use to ensure repayment as long as they pulled the proper cultural strings. These technologies serve to constitute and discipline "microfinance subjects" through the strategic deployment and reshaping of social relations. Yunus' appeal to communal pressure to ensure client honesty and frugality in his account of Grameen's expansion is just one example of how a MFI can capitalize on cultural knowledge.

[152] Adams and Raymond 2008.
[153] Maclean 2010.
[154] Henriksen 2013: 413-14

The practice of finding "what works"[155] to enforce repayment within a given culture or community allows MFIs to deploy local knowledge as a potentially coercive disciplinary mechanism. The role of "social capital" in enabling particular lending technologies shows that the standard critical approach to the concept of social capital--that it distorts or misrepresents social relations--overlooks the need to understand the concept in terms of its productive implications within the *agencements* underpinning microfinance. Though the concept has been widely discarded in terms of its analytical value by World Bank theorists, the microfinance industry continues to use it to describe a set of practices and outcomes.[156] A performative approach to the role "social capital" plays in the *agencement* of microfinance requires recognizing, then, that it results not only from "researchers behaving badly,"[157] but also from the creation of technologies that allow the industry to realize the conditions of its own possibility.

In terms of building institutional support within microfinance *agencements*, "social capital" also provides a discursive framework for understanding microfinance and building broad coalitions behind different forms of the "microfinance revolution." The reformulation of financial services in terms of social issues has brought IOs whose purviews expand well beyond development (notably the United Nations, which declared 2005 the International Year of Microcredit) into networks and coalitions of microfinance actors. By emphasizing the social impacts of microfinance, the language of social capital also helped the microfinance industry--and even large development institutions like the World Bank--counter antidevelopment movements.

[155] See Elyachar 2002.
[156] Fine 2010.
[157] The subtitle of Fine's (2010) critique of the social capital literature.

Furthermore, as noted earlier in this chapter, using "social capital" as collateral requires no physical collateral, thus making it possible for financial institutions to offer credit to poor borrowers in the Global South. As Ananya Roy notes, this innovation represents the creation of a new "riskscape;"[158] or, to put it in performative terms, using technologies that deploy "social capital" allow banks and financial firms to capitalize on new forms of risk and discipline clients who do not adhere to the industry's construction of a "microfinance subject." Once this riskscape had been opened, MFIs explored new ways of enforcing high repayment rates, such as through the use of "culture" and police force. These technologies also allowed for rapid expansion and commercialization of the industry, as financial backers were more willing to back MFIs when it became clear that MFIs could enforce repayment. "Social capital" thus linked to another set of technologies allowing MFIs to diffuse the risks of microlending.

Yet examining the role "social capital" has played in the microfinance industry also offers instances of what Donald MacKenzie refers to as "counter-performativity,"[159] or in Callon's terms a crisis in the *agencements* underpinning microfinance.[160] Using the technologies of "social capital" to enforce repayment also allowed for MFIs to intervene in ways that, as I argued in Chapter 1, ultimately made abusive lending practices more likely. For all his protesting about interest rates and the "new usury" of overly-commercialized MFIs, Yunus' innovation--deploying social pressures to ensure repayment in the absence of physical collateral--paved the way for further innovations along these lines. These innovations ultimately resulted in an *agencement* that suffered repeated crises due to its inability to manage the tension between "empowerment money"

[158] Roy 2012.
[159] See Henriksen 2013 for analysis of counter-performativity and the market for microfinance.
[160] Callon 2007.

and the disciplinary power MFIs needed to use to create this kind of entrepreneurial empowerment. After each crisis--and in particular after the Andhra Pradesh crisis--the industry reframed its handling of this tension, and in particular claimed that these crises resulted from too much commercialization and wholesale importation of "Wall Street values." This narrative offers a plausible explanation for abusive lending practices; but from a performative perspective, it also points to the way that the particular *agencements* of microfinance, constituted in part by the language and technologies referred to as "social capital," played out in ways that microfinance industry consultants, observers, experts, and advocates could not have expected.

Conclusion

In this chapter, I have attempted to bridge a gap in the critical literature between the economic performativity theorists, who resist the reification of neoliberal power, while also accounting for real power disparities and the alliance between the microfinance industry and large IOs and IFOs. The picture of the industry that emerges involves different camps deploying various skills, technologies, discourses, and networks with a view towards constituting a "microfinance subject." Any serious analysis of the microfinance industry must account for its relation to "institutional power,"[161] considering the support emanating from the World Bank and United Nations, as well as the unique role of institutions close to the industry such as CGAP.

Yet while this power may structure struggles between different camps within the microfinance industry and between the industry and microfinance critics, it does not determine them, as the resurgence of the "weaker" Bangladesh consensus after the

[161] Michael Barnett and Raymond Duvall, "Power in International Politics." *International Organization* (59) 2005: 39-75.

Andhra Pradesh crisis shows. With this perspective in mind, I turn in the final chapter to the implications of my analysis, before identifying alternatives to the dominant paradigms in microfinance.

In this chapter, I have sketched a picture of some of the *agencements* underpinning the microfinance industry. In offering a performative perspective on microfinance practice, I have attempted to offer a picture of microfinance practice that emphasizes the relations between clients, MFIs, the World Bank, CGAP, Grameen, and so on. In the next chapter, then, I turn to a few kinds of institutions that are underpinned by and in turn constitute *agencements* that potentially offer greater agency to clients and pose less of a threat of exploitation than either Bangladesh or post-Washington consensus MFIs, dependent as they are on turning social relations into a "riskscape."[162]

[162] Roy 2012.

Conclusion

> Asked in an interview what she thought the results of the UN's Year of Microcredit were, Christina Barrineau, senior technical advisor to the Year of Microcredit, said: "people stopped seeing microcredit only as a ten-dollar loan to a woman buying a goat, and started seeing the poor as masterful business people, tremendously entrepreneurial--people who have fundamental business skills and really warrant access to financial services that will help them grow their wealth."[163]

Barrineau's succinct articulation of the notion of the entrepreneurial poor underscores the role the microfinance industry has played in producing and disseminating this discourse. Much of the critical debate over microfinance has revolved around the productive effects of this (mis)representation. In this paper, I have argued for a need to reframe the discourse of the microfinance industry in terms of the social and material forces that mediate the industry's attempts to produce this subject. In the first three chapters, I have explored certain aspects of these *agencements* in order to argue that the microfinance industry's self-presentation fails to capture the complexity of constituting "microfinance subjects," and instead reframes new forms and distributions of risk in terms of "empowerment," "human development," or "Progress out of Poverty."

Having examined some aspects of microfinance *agencements*, is worth briefly revisiting the selective history of microfinance offered in Chapter 1. Although financial services for the poor existed in many places in some form or another well before the twentieth century, what is generally understood as contemporary "microfinance" began with Muhammad Yunus' experiment with lending to the rural poor in Bangladesh. Yunus realized that peer monitoring and enforcement could substitute for the physical collateral that formal financial institutions generally required. Yunus' struggle to have microfinance taken seriously as a development intervention occurred against a backdrop of changing

[163] Dichter and Harper 2007.

development paradigms. As the end of the Cold War and resulting neoliberal shift displaced the emphasis on human capital, microfinance offered development experts a way to shift the burden of downsized civil servants from state to market. Unlike many neoliberal development interventions, however, microfinance also suited the development donor community's subsequent turn towards social issues and the Millennium Development Goals. Because of the microfinance industry's ability to appeal to competing development agendas, the industry assembled an unusually broad coalition of actors.

Yet the diversity of actors supporting "microfinance" within the development donor community belies the highly fractured nature of the microfinance industry. In order to examine a key fracture within the industry, Chapter 2 analyzed two "monuments" of microfinance discourse--Marguerite Robinson's *The Microfinance Revolution* and Muhammad Yunus' *Creating a World Without Poverty*--that represent the divergence between the post-Washington and Bangladesh camps on microfinance. Enthusiasm for microfinance in the abstract generated heated debate within the industry about the risks of commercial microfinance, and whether the rapid scaling of microfinance that commercialization enabled justified these risks. The texts thus differ in how they frame appropriate microfinance interventions, or indeed whether the other camp's interventions can properly be considered microfinance.

In spite of these differences, both texts offer a fundamentally similar understanding of poor people throughout the Global South as potential entrepreneurs waiting only for access to capital in order to grow their assets--in other words, as "microfinance subjects." In analyzing the microfinance industry in terms of the subjectivities it produces, I borrowed from David Williams' theorization of the "liberal subject." Williams argues that NGOs and civil society in the Global South underpin neoliberal development not by offering new forms of economic and social organization, but by reconstituting subjects, or to borrow from Tom Young, "programming" them. Williams' analysis points to the role NGOs and other development institutions play in this process of constitution, and I have thus looked to the corollary role of microfinance institutions in creating "microfinance subjects," whose subjectivity is influenced but not determined by liberalism.

Williams' emphasis on the role of institutions, however, risks obscuring other social and material forces at play in the constitution of liberal (or microfinance) subjects. For this reason, I turned to the work of Michel Callon and economic performativity theory to argue that microfinance subjectivity emerges out of competing *agencements*. Understanding this subjectivity in terms of microfinance *agencements* points to the diverse technologies, personnel, discourses, and arrangements of power underpinning the constitution of microfinance subjects. In using this theoretical framework to understand the microfinance industry, I drew on two recent studies of microfinance that have deployed a similar method: Aitken's study of the microfinance industry's incorporation of Anglo-American financial technique, and Henriksen's examination of the relation between knowledge production and dissemination and the creation of a market for microfinance. Both studies offer a new perspective on microfinance practice at the level of markets and institutions. In my analysis, I have taken this framework to bear on a different aspect of microfinance practice, namely the theorization and production of microfinance subjects. This project, then, reframes previous work on the microfinance industry's relation to its clients and builds on the nascent literature examining microfinance practice from a performative perspective.

The performative framework also offers a way of understanding new forms of microfinance *agencements*. As both the history of microfinance outlined in Chapter 1 and the analysis of microfinance *agencements* in Chapter 3 showed, the social and material forces underpinning microfinance practice are not static. Changing technologies and the importation of new financial technique into microfinance *agencements* have impacted not only the scope of microfinance practice but also fundamentally altered the way the industry relates to clients. These relations continue to change with the expansion of websites such as kiva.org making microfinance accessible not only to financial actors in the Global North but anyone with access to the Internet.[164] Whether and how this model might facilitate new microfinance *agencements*, or how it would change existing *agencements* into which it is incorporated, merits further attention from a performative perspective.

Recognizing that *agencements* are not static, further research might ask whether varying microfinance *agencements* necessitate the production of a "microfinance subject," or would at least mitigate the risks inherent to clients in the process of constituting these subjects. While this project has not purported to offer policy solutions, I believe contesting the notion of the "entrepreneurial poor" and identifying the risks associated with producing microfinance subjects opens space for new microfinance *agencements* to emerge that offer more meaningful forms of empowerment to clients. While the *agencements* underpinning microfinance can have good or bad results, and

[164] See Sara L. McKinnon et al, "Kiva.org, Person-to-Person Lending, and the Conditions of Intercultural Contact," *Howard Journal of Communications*, 24 (4) 2013: 327-47 for further analysis of the role Kiva plays in connecting lenders in the Global North and borrowers in the Global South.

often unexpectedly so, these *agencements* ultimately differ greatly in their ability to empower clients and in the risks they hold for "microfinance subjects."

Bibliography

Adams, John and Frank Raymond. "Did Yunus Deserve the Nobel Peace Prize: Microfinance Or Macrofarce?" *Journal of Economic Issues* 42, no. 2 (2008): 435-444.

Aitken, Rob. "Ambiguous Incorporations: Microfinance and Global Governmentality." *Global Networks* 10, no. 2 (2010): 223-243.

———. "The Financialization of Microcredit." *Development and Change* 44, no. 3 (2013): 473-499.

Austin, John. *How to do Things with Words*. Cambridge: Harvard University Press, 1962.

Banerjee, Abhilit V. and Esther Duflo. *Poor Economics: A Radical Rethinking of the Way to Fight Global Poverty*. New York: PublicAffairs, 2011.

Barnett, Michael and Raymond Duvall. "Power in International Politics." *International Organization* 59, (2005): 39-75.

Bateman, Milford and Ha-Joon Chang. "The Microfinance Illusion."

Bebbington, Anthony. "Exploring Social Capital Debates at the World Bank." *Journal of Development Studies* 40, no. 5 (2004): 33-64.

———. "Social Capital and Development Studies II: Can Bourdieu Travel to Policy?" *Progress in Development Studies* 7, no. 2 (2007): 155-162.

Callon, Michel. "What does it Mean to Say that Economics is Performative?" In *Do Economists make Markets? on the Performativity of Economics*, edited by Mackenzie, Donald, Fabian Muniesa and Lucia Siu, 311-357. Princeton: Princeton University Press, 2007.

Dalgic, Umud. "International Expert Organizations and Policy Adoption." *Cultural Dynamics* 19, no. 1 (2007): 5-38.

Dichter, Thomas W. and Malcolm Harper. "Introduction." In *What's Wrong with Microfinance?*. Rugby, Warwickshire: Practical Action, 2007.

Drake, Deborah and Elisabeth Rhyne. *The Commercialization of Microfinance: Balancing Business and Development*. Bloomfield: Kumarian Press, 2002.

Elyachar, Julia. "Empowerment Money: The World Bank, Non-Governmental Organizations, and the Value of Culture in Egypt." *Public Culture* 14, no. 3 (2002): 493-513.

Fine, Ben. *Social Capital Versus Social Theory: Political Economy and Social Science at the Turn of the Millennium*. London: Routledge, 2001.

———. *Theories of Social Capital: Researchers Behaving Badly*. London: Pluto Press, 2010.
Gibson-Graham, J. K. *A Postcapitalist Politics*. Minneapolis: University of Minnesota Press, 2006.

Henriksen, Lasse F. "Performativity and the Politics of Equipping for Calculation: Constructing a Global Market for Microfinance." *International Political Sociology* 7, no. 4 (2013): 406-425.

Ito, Sanae. "Microfinance and Social Capital: Does Social Capital Help Create Good Practice?" *Development in Practice* 13, (2003): 322-332.

Littlefield, Elizabeth, Jonathon Murdoch, and Syed Hashemi. *Is Microfinance an Effective Strategy to Reach the Millennium Development Goals?*: Consultative Group to Assist the Poor, 2003.

Mackenzie, Donald, Fabian Muniesa, and Lucia Siu. "Introduction." In *Do Economists Make Markets? on the Performativity of Economics*, edited by Mackenzie, Donald, Fabian Muniesa and Lucia Siu, 1-19. Princeton: Princeton University Press, 2007.

Maclean, Kate. "Capitalizing on Women's Social Capital? Women-Targeted Microfinance in Bolivia." *Development and Change* 41, no. 3 (2010): 495-515.

Mader, Philip. "Rise and Fall of Microfinance in India: The Andhra Pradesh Crisis in Perspective." *Strategic Change* 2, (2013): 47-66.

Malkin, Elisabeth. "Microfinance's Success Sets Off a Debate in Mexico." *New York Times,* April 5, 2008.

Mayer, Margit and Katharine N. Rankin. "Social Capital and (Community) Development: A North/South Perspective." *Antipode* 34, no. 4 (2002): 804-808.

McKinnon, Sara L., Elizabeth Dickinson, John N. Carr, and Karma R. Chávez. "Kiva.Org, Person-to-Person Lending, and the Conditions of Intercultural Contact." *Howard Journal of Communications* 24, no. 4 (2013): 327-347.

Mitchell, Timothy. "The Properties of Markets." In *Do Economists make Markets? on the Performativity of Economics*, 2007.

Narayan-Parker, Deepa. *Can Anyone Hear Us? Voices of the Poor.* New York: Oxford University Press, 2000.

Neumann, Iver B. "Discourse Analysis." In *Qualitative Methods in International Relations*, edited by Klotz, Audie and Deepa Prakash. London: Palgrave Macmillan.

Quadir, Serajul. "Bangladesh Brings Microlender Grameen Bank Under Central Bank Supervision." *Reuters,* November 5, 2013.

Rankin, Katharine N. "Social Capital, Microfinance, and the Politics of Development." *Feminist Economics* 8, no. 1 (2002): 1-24.

Rhyne, Elisabeth. *On Microfinance: Who's to Blame for the Crisis in Andhra Pradesh?* Huffington Post.

Robinson, Marguerite. *The Microfinance Revolution*. Washington, D.C.: World Bank, 2001.

Roy, Ananya. *Poverty Capital: Microfinance and the Making of Development*. New York: Routledge, 2010.

———. "Subjects of Risk: Technologies of Gender in the Making of Millennial Modernity." *Public Culture* 24, no. 1 (2012): 131-155.

Siebel, Hans Dieter. "Does History Matter? The Old and the New World of Microfinance in Europe and Asia." Singapore, National University of Singapore, October 7-8, 2005, 2005.

Stiglitz, Joseph E. *Globalization and its Discontents*. New York: Norton, 2002.
United Nations. "International Year of Microcredit 2005." http://www.yearofmicrocredit.org/

Williams, David. "Constructing the Economic Space: The World Bank and the Making of Homo Oeconomicus." *Millennium - Journal of International Studies* 28, no. 1 (1999): 79-99.

———. *International Development and Global Politics: History, Theory and Practice*. London: Routledge, 2012.

World Bank. *World Development Report 2000/2001: Attacking Poverty* Oxford University Press, 2001.

Young, Tom. ""A Project to be Realised": Global Liberalism and Contemporary Africa." *Millennium - Journal of International Studies* 24, (1995): 527-546.

Yunus, Muhammad. "The Nobel Lecture." 2006.

——— and Alan Jolis. *Banker to the Poor: Micro-Lending and the Battle Against World Poverty*. New York: PublicAffairs, 1999.

——— and Karl Weber. *Creating a World without Poverty: Social Business and the Future of Capitalism*. New York: PublicAffairs, 2007.