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"Low Profile" or Entrepreneurial? Gender, Class, and Cultural Adaptation in the Global Microfinance Industry

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Summary. — This study examines how discourses of entrepreneurial womanhood, filtered through a chain of hierarchically positioned actors in global microfinance, translate into interactions with borrowers. Drawing from ethnography, interviews, and document analysis on a set of entrepreneurial trainings delivered to nonentrepreneurial borrowers in urban India, this study argues that parallel, conflicting processes of cultural adaptation within the organization, and tensions between various actors, create an environment in which there is no incentive to cater to the interests of working class clients. Commercialized microfinance, thus, may not necessarily produce accountability to client interests.

Key words — gender, microfinance, discourse, entrepreneurship, training, organizations

1. INTRODUCTION

The rich qualitative literature on development delivery examines the proverbial "gap" between elite visions of development on one hand, and the "messiness" of practice and implementation on the other (Corbridge & Hariss, 2000; Ganle, Afriyie, & Segbefia, 2015; Jakimow, 2014; Karim, 2011; Kumar & Corbridge, 2002; Li, 2001; Mosse, 1994; Mosse, 2004; Rankin, 2001; Rao, 2008; Swidler & Watkins, 2009). This literature, beyond assessing "success" or "failure," highlights the multitude of actors and discourses involved in various state and NGO-led programs. Such analyses reveal "logics" in the practice of development that may appear contradictory from a strictly top-down perspective. Despite the fruitfulness of this approach, the vast and growing microfinance literature tends not to highlight this multitude of actors and discourses, ostensibly focusing on the "impact" (or lack thereof) of the loan itself (Balasubramanian, 2012; Duvendack & Palmer-Jones, 2012; Garikipati, 2008; Holvoet, 2005; Rajbanshi, Huang, & Wydick, 2015; Sanyal, 2009). As microfinance becomes increasingly embedded in global financial markets and delivered in conjunction with many institutional actors, a continued focus on "impact," narrowly construed, misses the contradictions involved in making microfinance real across the globe.[1]

This paper aims to enrich our understanding of the everyday life of microfinance by teasing out the motivations of hierarchically positioned actors involved in a particular setting—an entrepreneurial training program in India that I call Shaktisri. The context of this program is becoming increasingly typical in the global microfinance industry. Shaktisri is an optional client education offering, created within a partnership between two for-profit firms, and targets urban and semi-urban women borrowers. The program was imported from Latin America through the American microfinance partner, Prosperity International (PI), and was being delivered by a local MFI, Kanchan.[2] The program aims to encourage women borrowers to begin or expand a small, home-based business, and equip them with the skills and knowledge to do so. Ironically, most Kanchan borrowers were not entrepreneurs, and were usually not interested in starting businesses.

Drawing on ethnography, interviews, and document analysis in India and the United States, this study examines parallel and conflicting processes of cultural adaptation within the Shaktisri program. Cultural adaptation is a process identified by PI's leaders that makes "core" universal principles accessible to clients situated in a particular geography. In this paper, I identify the cultural adaptation processes sanctioned by the organization's leadership as "official adaptation." Official adaptation included culturally specific translations of text-based materials, new graphics, films, and specific norms and expectations surrounding the delivery of these materials. But this official adaptation comprised only one dimension of the multifaceted adaptation processes that brought Shaktisri to Kanchan clients. Other processes controlled by actors lower down in the organizational hierarchy served to mediate between the universal "core" lesson and the specifics of India's urban borrowers, including improvised lessons, linkages with external organizations, and a transformation of client-trainer relationship. I call these processes "unofficial" adaptation processes. Cultural adaptation in its "official" form was completed in 2007. PI's leaders, both in New York and in Chennai, aimed to retain in Shaktisri a universal message about the virtue of entrepreneurship for women, as well as the core method of participatory adult education that had been previously deployed in Latin America. Yet, in my observations of Shaktisri trainings in 2012, there were few instances when these materials were delivered as PI's leaders imagined.

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Officially sanctioned, culturally specific translations, in other words, did not generate materials that were necessarily appropriate for Kanchan clients because they were based on a fundamentally flawed assumption—that Kanchan borrowers would be or would want to be entrepreneurs.

In the space between the official adaptation and client desires, spontaneous "unofficial" adaptations of fieldworkers continue on an ongoing basis. These adaptations transform the meaning of the static, official adaptations to suit the aims of the trainers in the difficult context of training in slum neighborhoods, and, ostensibly, to the borrowers themselves. However, the unofficial adaptation is not necessarily better suited to the women who take loans. This is because, like the official adaptation, unofficial adaptation emerges not from the borrowers' interests, but rather from the class positioning and discursive baggage of those who are doing the adapting.

PI's elite leaders regard borrowers as inherently entrepreneurial, drawing from a *universalized conception of entrepreneurial womanhood* that is foundational to microfinance discourse worldwide. Fieldworkers, on the other hand, regard clients as *low profile*, a term signifying intransigent poverty, lack of education, and perhaps more fundamentally, a perceived incompatibility with existing development paradigms. These two constructions, articulated by situated actors in the organization, are contested in the day-to-day operations within the organization, and in training sessions with clients. These conflicts draw attention away from the situated needs and desires of borrowers themselves. In the environment that emerges, there exists no incentive for the many actors involved in the project to cater to borrowers.

2. CULTURAL ADAPTATION IN GLOBAL MICROFINANCE ORGANIZATIONS

Development projects are fundamentally legitimated by universalized paradigms of development, from modernization theory to social capital to empowerment. But how do global development organizations adapt universalized discourses of development to specific contexts where various forms of development work take place? A wealth of ethnographic studies illustrate that appealing discourses of global development produce unexpected consequences when transformed into practice (Ferguson, 1994; Li, 2001; Mohan & Stokke, 2000; Rankin, 2001; Sharma, 2008; Swidler & Watkins, 2009). In recent years, anthropologists of development have focused upon the transnational chain of interconnected "brokers" that link elite aspirations for development projects to subaltern realities (Jakimow, 2014; Lewis & Mosse, 2006; Mosse, 1994; Mosse & Lewis, 2006; Shrestha, 2006). These studies explore exactly *how* agents all along the development hierarchy appropriate their positions to serve their own interests and aims. For example, in Aradhana Sharma's (2008) study of a women's empowerment organization in rural India, she finds different stakeholders with opposing interests that shift over time. But this lack of unity does not lead to a "failure" of the program, necessarily. Some beneficiaries, she finds, may find a way to voice their interests and fulfill the "empowerment" mandate of the program. Other outcomes, such as the formation of new political divisions between women in target villages, were ambiguous or adverse (2008). All these studies understand the adaptation of a global development discourse to a particular context as partial, ongoing, and in the hands of various hierarchically positioned actors. Target beneficiaries may or may not benefit, depending on a range of structural or contingent factors unrelated to the criteria of the project.

In the microfinance literature, recent studies acknowledge the complexity of the microfinance industry, highlighting the importance of loan officers (Kar, 2013; Sagamba, Shchetinin, & Yusupov, 2013), the local and global institutions involved in the microfinance transaction (Aitken, 2013; Boehe & Cruz, 2013; Haile, Bock, & Folmer, 2012), and the presence of other intermediaries, such as training or business development programs (Epstein & Yuthas, 2013; Sievers & Vandenberg, 2007; Swain & Varghese, 2013). Other studies revisit the premise that women are the best targets for microfinance, aiming sometimes to critique this premise, and sometimes to underscore it (D'Espallier, Guérin, & Mersland, 2011; Maclean, 2013; Moodie, 2013; Swamy, 2014) Yet, we have few clues about how the divergent motivations of stakeholders play out within microfinance organizations invested in particular gendered discourses. There is also little discussion in the literature on how institutional complexities are expressed in interactions with clients. Stephen Young's work in Andhra Pradesh suggests that different positions within the microfinance hierarchy are differently gendered, such that mobile men, in their roles as managers or loan officers, transmit specific ideas about being a "good mother" to their clients, ideas that are consistent with the need to extract repayment from women clients. Women borrowers respond to these ideas in unexpected ways, however, sometimes making new claims to resources outside of the loan itself (Young, 2010). Ananya Roy's account of the Grameen Bank suggests that the motivations of diverse stakeholders are linked through parallel transcripts within the organization. While the "public" transcript emphasizes entrepreneurship as the path out of poverty, a transcript that resonates with global discourses of development through microfinance, the "private" transcript, promoted within the organization, emphasizes that loans are used to "smooth" consumption needs, and thus, reduce vulnerability among poor families (2010).

Client training and education provides a critical site at which we may observe the interactions between multiple stakeholders in the commercialized microfinance sector, as well as the expectations that MFIs have of women borrowers beyond mere repayment. Microfinance organizations have historically used training as a key method through which to communicate to borrowers what kind of person they ought to be. In Bangladesh's Grameen Bank, women were trained to recite the iconic Sixteen Decisions from its earliest days, a practice meant to encourage everything from hygiene and thrift to group solidarity and an end to dowry. More recently, Bangladeshi MFIs have promoted (limited) training to encourage specific professions among borrowers, such as poultry care, in cooperation with other institutional partners (Karim, 2011). In Latin America and the United States, micro-loans, especially for women, have usually been accompanied by some sort of entrepreneurial training or small business training, thus specifying the intent of the loan, and disbursing such loans in relatively small numbers (Banerjee, 2001; Dumas, 2001; Edgcomb, 2002). Over time, however, the imperative to train was discredited by the growing "Washington Consensus on poverty" (Roy, 2010). The World Bank's Consultative Group to Assist the Poor (CGAP), the new global champions of microfinance, emphasize the need for financial sustainability above all, and it was unclear whether or not client education improved repayment rates. In this changed environment, many organizations, including PI, questioned the expense of offering trainings that were not of measurable benefit to borrowers, and started to roll back its training programs, focusing instead entirely on financial sustainability and repayment.

Since 2010, however, attitudes toward training in the microfinance industry are changing. Recent studies provide evidence