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Book Review: Microfinance and its Discontents: Women in Debt in Bangladesh

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***Microfinance and its discontents: women in debt in Bangladesh.* 2011. Karim, L. 2011. University of Minnesota Press. Minneapolis. Pp 255 (Paperback) \$22.09. ISBN 978 0 8166 7095 6.**

Reviewed by Adlai S Davids¹

The extensively trumpeted success of microfinance as a tool for poverty alleviation has placed the Asian country of Bangladesh into the global spotlight. The awarding of the 2006 Nobel Peace Prize to the Grameen Bank and its founder Prof Muhammad Yunus elevated microfinance as a 'liberating force' for women struggling against 'repressive social and economic conditions'. Yet little attention has been paid to *audi alteram partem*, a principle of natural justice that compels us to 'hear the other side' to make a fair assessment of the facts at hand. In getting to hear the other side of microfinance, *Microfinance and its discontents*, examines the impact of non-governmental organizations (NGOs) and their microfinance endeavours on the lives and livelihoods of poor rural Bangladeshi women, the archetype of persons living in repressive social and economic conditions.

The book is structured around six chapters compiled from ethnographies conducted by the author whilst visiting Bangladesh between 1998 and 2007. Being a native of Bangladesh, fluent in the local language and appreciative of local custom, this immersion was far more extensive than the staged field visits typical of some of the expert assessments made to the country in praise of the microfinance rhetoric.

Chapter 1 sets an extensive introduction to the political history of Bangladesh that chronicles its independence from Pakistan in 1971 and the periods of civilian and military rule in the former East Bengal of British India. With contemporary Bangladesh being deemed a failed state, the historical role of NGOs was to ease the burden of its government by conducting social welfare programmes. A devastating cyclone in 1970 and a famine in 1974 meant that that NGOs became relief operators, thus structurally transforming the indigenized NGO sphere. These developments caused NGOs to have strained relationships with the state, the clergy and other rural elites, whilst political tensions also led to conflict between NGOs. The powerful presence of NGOs often blurred their role into that of a shadow state, given their ability to provide resources and services in especially rural Bangladesh.

In setting the research terrain in Chapter 2, the author introduces the term 'NGO governmentality' which describes a mode of governance employed to amend the values and behaviour of their clients towards the goals of the NGO. This 'governmentality' is a key tenet for the author's focus of microfinance and gender throughout the book. The author's immersion is obvious in this chapter, with clear descriptions of her interactions with NGO managers, rural elites and women borrowers and the discomfort and suspicions that resulted. Chapter 2 also gives an insight into the profit-driven motives of Grameen Bank and other NGOs whose operations were included in the study, with evidence of the coercive and brutally punitive measures employed to recover loans from defaulters.

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Chapter 3 introduces social businesses; neoliberal ventures whereby multinational companies carve niches into new markets through actions shrouded as altruistic and benevolent activities. Two salient investments are discussed which portrays the reality of social businesses. The first investment was a scheme purported to provide health benefits to poor children in rural areas, by targeting women borrowers as potential buyers of fortified yoghurt. With the yoghurt being unaffordable to the rural poor, the product was successfully marketed to urban middle class consumers. The second, a massive roll out of mobile telephony to rural areas resulted in greater profits for Grameen Bank, both through their loans to poor borrowers in setting up a telephony business and telephony subscriptions by mostly urban middle class consumers.

The eight case studies that make up Chapter 4 of the book were the most insightful. The case studies represent the social life of debt with a focus on marginally successful 'phone ladies' and the financially savvy moneylender, through failed chicken breeding ventures and the NGO practice of housebreaking, the dismantling of a house to sell off the building materials to recover debt. Far from being the 'liberating force' in the microfinance mantra, these case studies show the resultant increased levels of vulnerability of women borrowers in terms of a strained social and familial sphere and their difficult relations with the NGOs.

Chapter 5 discusses the contestation between rural clergy and the NGO for authority over rural women borrowers, centred on a *quasi* pro-democracy rally billed as an entertainment fair in one of the 'NGO districts'. Whilst the clergy deemed the fair to be encouraging an erosion of acceptable moral standards for rural women, the NGO deemed the prohibition of the fair through a *fatwa* (religious decree) as anti-developmental and repressive. In the end, the only losers in this 'social disaster' were the women, whose lives were disrupted and their dignity severely impugned.

Chapter 6 analyses the power of discourse that cement the rhetoric of the micro-finance NGOs. Since women borrowers are termed 'entrepreneurial' and Bangladesh the pinnacle of microfinance ideology, the importance of entrenching these 'truths' also becomes a key NGO endeavour. This chapter describes examples whereby dissenting voices and alternative interpretations of NGO 'successes' are being censored and disregarded. The development of a clique-like poverty seminar industry in Bangladesh, for example, is quite insightful.

Although the stated use of aliases to protect the privacy of participants throughout the book are laudable, the portrayal of individuals in photographs defeats this purpose. The photographs also do not carry statements confirming that the express permission of the subjects has been obtained to use the photographs. Given the threatening situations the author and her research assistants found themselves in on a few occasions, it may mean that the lives and property of the photographed persons may become threatened when the book becomes available in 'Pirpur Thana'. The geographical details and descriptions of this rural study area are also very detailed and thus potentially easily identifiable.

Chapter 1 could have been enhanced by the inclusion of a political map of Bangladesh with its relative location to modern day Pakistan and the colonial borders of British India. The references used are extensive and they are well annotated. With Bengali words used extensively throughout the text, the inclusion of a glossary of such words was extremely helpful. The inclusion of the notes at the end of each chapter would

have been more convenient to access, but it does not detract from the readability of the book.

Overall, *Microfinance and its discontents* should stir the conscience of social scientists and development practitioners to look critically at the lives of women who are supposed to be liberated by neoliberal and other policy instruments. The book is written in a scholarly tone but contains a clearly immersed and empathetic voice that exposes microfinance as a measure that weakens rural social solidarity whilst creating new markets for multinational corporations. Not only is the book an excellent critique of the microfinance industry throughout, its conclusion provides a series of thought provoking topics for discussion on how to enhance transparency and accountability in the microfinance industry of Bangladesh.